

CARBON COUNTY, WYOMING

FINANCIAL STATEMENTS

June 30, 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
 Carbon County
 Rawlins, Wyoming

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

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

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Adverse
General Fund	Unmodified
County Roads Fund	Unmodified
Impact Tax Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements do not present fairly the financial position of the aggregate discretely presented component units of the County, as of June 30, 2023, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund, and the Aggregate Remaining Fund Information

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining

fund information of the County, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

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

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the Memorial Hospital of Carbon County (the Hospital), one of the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for the County's component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the Hospital with the County's legally separate component units on the aggregate discretely presented component units has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The 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* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Change in Accounting Principle

As described in the notes to the basic financial statements, the County adopted new accounting guidance, GASB Statement No. 96, Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



JONES SIMKINS LLC
Logan, Utah
December 21, 2023

Basic Financial Statements

CARBON COUNTY, WYOMING
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government		Component Units
	Governmental Activities	Total	
Assets:			
Pooled cash and cash equivalents	\$ 12,374,808	12,374,808	-
Cash and cash equivalents	12,419,492	12,419,492	2,515,058
Investments	2,311,989	2,311,989	-
Accounts receivable	-	-	40,052
Taxes receivable	15,722,230	15,722,230	1,095,300
Due from other governments	1,622,472	1,622,472	-
Prepaid expenses	647,582	647,582	13,792
Inventory	-	-	589,808
Capital assets			
Capital assets not being depreciated	2,133,548	2,133,548	-
Capital assets, net of accumulated depreciation	44,109,810	44,109,810	499,357
Right to use assets, net of accumulated amortization	17,543,795	17,543,795	-
Subscription assets, net of accumulated amortization	81,572	81,572	-
Total assets	108,967,298	108,967,298	4,753,367
Deferred outflows of resources:			
Pensions	3,949,904	3,949,904	131,062
Other post-employment benefits	(1,152,154)	(1,152,154)	-
Total deferred outflows of resources	2,797,750	2,797,750	131,062
Liabilities:			
Accounts payable and accrued liabilities	1,111,316	1,111,316	536,212
Unearned revenues	6,039,330	6,039,330	-
Third-party payor settlements	-	-	19,520
Long-term liabilities:			
Due within one year:			
Compensated absences	30,000	30,000	49,000
Direct borrowings	425,483	425,483	-
Lease liability	697,517	697,517	-
Subscription liability	53,652	53,652	-
Due in more than one year:			
Compensated absences	415,674	415,674	-
Direct borrowings	8,647,829	8,647,829	-
Lease liability	18,719,313	18,719,313	-
Subscription liability	53,070	53,070	-
Post-employment health plan liability	1,401,927	1,401,927	-
Net pension liability	11,335,859	11,335,859	659,398
Total liabilities	48,930,970	48,930,970	1,264,130
Deferred inflows of resources:			
Pensions	1,794,396	1,794,396	19,258
Property taxes	11,318,301	11,318,301	900,000
Total deferred inflows of resources	13,112,697	13,112,697	919,258
Net position:			
Net investment in capital assets	35,740,148	35,740,148	499,357
Restricted for:			
State statute purposes	4,319,733	4,319,733	-
Road maintenance	3,406,015	3,406,015	-
Impact mitigation	981,672	981,672	-
Unrestricted	5,273,813	5,273,813	2,201,684
Total net position	\$ 49,721,381	49,721,381	2,701,041

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

CARBON COUNTY, WYOMING
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Governmental Activities	Total	Total
Primary government:							
Governmental:							
General	\$ 21,283,373	4,565,361	1,958,715	-	(14,759,297)	(14,759,297)	-
Public safety	6,416,431	318,083	628,402	-	(5,469,946)	(5,469,946)	-
Highways and streets	3,132,987	2,844	631,393	-	(2,498,750)	(2,498,750)	-
Health and welfare	588,417	33,745	444,178	-	(110,494)	(110,494)	-
Culture and recreation	71,184	27,881	264,561	-	221,258	221,258	-
Depreciation and amortization - unallocated	4,880,700	-	-	-	(4,880,700)	(4,880,700)	-
Interest and fiscal charges	426,225	-	-	-	(426,225)	(426,225)	-
Total governmental activities	36,799,317	4,947,914	3,927,249	-	(27,924,154)	(27,924,154)	-
Total primary government	\$ 36,799,317	4,947,914	3,927,249	-	(27,924,154)	(27,924,154)	-
Component units:							
Weed and pest control district	\$ 1,618,293	547,972	244,378	-	-	-	(825,943)
County fair board	275,926	126,341	171,950	-	-	-	22,365
County library	502,123	7,430	103,580	-	-	-	(391,113)
County museum	209,461	2,143	36,732	-	-	-	(170,586)
Total component units	\$ 2,605,803	683,886	556,640	-	-	-	(1,365,277)
General revenues:							
Taxes:							
Property taxes					\$ 14,195,801	14,195,801	1,561,480
Payments in lieu of taxes					1,601,336	1,601,336	-
Sales and use taxes					3,726,977	3,726,977	-
Other taxes and shared revenues					3,988,063	3,988,063	-
Total taxes					23,512,177	23,512,177	1,561,480
Interest and investment income					577,529	577,529	10,219
Loss on disposal of assets					(336,123)	(336,123)	12,400
Miscellaneous					(1,446,954)	(1,446,954)	430
Total general revenues					22,306,629	22,306,629	1,584,529
Change in net position					(5,617,525)	(5,617,525)	219,252
Net position - beginning					55,338,906	55,338,906	2,481,789
Net position - ending					\$ 49,721,381	49,721,381	2,701,041

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

CARBON COUNTY, WYOMING
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>County Roads</u>	<u>Impact Tax Fund</u>	<u>Total Governmental Funds</u>
Assets:				
Pooled cash and cash equivalents	\$ 10,715,043	754,783	904,982	12,374,808
Cash and cash equivalents	9,596,525	2,769,212	53,755	12,419,492
Investments	2,311,989	-	-	2,311,989
Taxes receivable	15,722,230	-	-	15,722,230
Due from other governments	1,534,982	49,413	38,077	1,622,472
Prepaid expenses	647,582	-	-	647,582
Total assets	<u>\$ 40,528,351</u>	<u>3,573,408</u>	<u>996,814</u>	<u>45,098,573</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 891,027	167,393	15,142	1,073,562
Unearned revenues	6,039,330	-	-	6,039,330
Total liabilities	<u>6,930,357</u>	<u>167,393</u>	<u>15,142</u>	<u>7,112,892</u>
Deferred inflows of resources:				
Property taxes	15,722,231	-	-	15,722,231
Total deferred inflows of resources	<u>15,722,231</u>	<u>-</u>	<u>-</u>	<u>15,722,231</u>
Fund balances:				
Nonspendable	647,582	-	-	647,582
Restricted	4,319,733	3,406,015	981,672	8,707,420
Committed	1,732,248	-	-	1,732,248
Assigned	380,746	-	-	380,746
Unassigned	10,795,454	-	-	10,795,454
Total fund balances	<u>17,875,763</u>	<u>3,406,015</u>	<u>981,672</u>	<u>22,263,450</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 40,528,351</u>	<u>3,573,408</u>	<u>996,814</u>	<u>45,098,573</u>

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

CARBON COUNTY, WYOMING
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances for governmental funds \$ 22,263,450

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

The net pension liability, deferred inflows and outflows of resources related to pensions, and deferred outflows related to other post-employment benefits are not reported in the funds.

Deferred outflows of resources - pensions	\$ 3,949,904	
Deferred inflows of resources - pensions	(1,794,396)	
Net pension liability	(11,335,859)	
Deferred outflows of resources - OPEB	<u>(1,152,154)</u>	
		(10,332,505)

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

Buildings and improvements	\$ 45,305,777	
Infrastructure	54,404,021	
Equipment and vehicles	17,657,850	
Land	2,133,548	
Right-to-use equipment	3,396,487	
Right-to-use buildings	17,251,950	
Subscription assets	122,529	
Accumulated depreciation and amortization	<u>(76,403,437)</u>	
		63,868,725

Because the focus of governmental funds is on short-term financing, some revenues will not be available to pay for current-period expenditures and are therefore recorded as deferred inflows of resources in the funds.

Delinquent property taxes	4,403,930
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Long-term liabilities, including related accrued interest, are not due and payable in the current period and therefore are not reported in the funds.

Lease liability	\$ (19,416,830)	
Subscription liability	(106,722)	
Direct borrowing - note payable	(9,073,312)	
Accrued interest	(37,754)	
Post-employment health plan liability	(1,401,927)	
Compensated absences	<u>(445,674)</u>	
		<u>(30,482,219)</u>

Net position of governmental activities \$ 49,721,381

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

CARBON COUNTY, WYOMING
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	County Roads	Impact Tax Fund	Total Governmental Funds
Revenues:				
Taxes	\$ 19,266,780	494,431	827,253	20,588,464
Intergovernmental	3,758,576	168,673	-	3,927,249
Charges for services	4,947,914	-	-	4,947,914
Interest and investment income	483,742	92,213	1,574	577,529
Miscellaneous	969,618	-	-	969,618
Total revenues	29,426,630	755,317	828,827	31,010,774
Expenditures:				
General government	26,201,640	-	-	26,201,640
Highways and streets	2,463,338	677,219	-	3,140,557
Public safety	8,374,156	-	459,387	8,833,543
Health and welfare	588,417	-	-	588,417
Culture and recreation	71,184	-	-	71,184
Debt service	1,514,819	-	-	1,514,819
Total expenditures	39,213,554	677,219	459,387	40,350,160
Excess (deficiency) of revenues over expenditures	(9,786,924)	78,098	369,440	(9,339,386)
Other financing sources (uses):				
Proceeds from issuance of lease liability	3,301,869	-	-	3,301,869
Proceeds from issuance of note payable	6,530,699	-	-	6,530,699
Total other financing sources	9,832,568	-	-	9,832,568
Net change in fund balance	45,644	78,098	369,440	493,182
Fund balance – beginning	17,830,119	3,327,917	612,232	21,770,268
Fund balance – ending	\$ 17,875,763	3,406,015	981,672	22,263,450

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

CARBON COUNTY, WYOMING
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Net change in fund balance – total governmental funds	\$	493,182
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount by which capital outlays (\$7,699,308) exceeded depreciation and amortization (\$4,880,700).		2,818,608
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The net effect of transactions involving the post-employment health plan liability result in a decrease in benefit expense and an increase in net position.		191,893
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales of capital assets) is to decrease net position.		(336,123)
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The net effect of transactions involving the net pension liability and deferred inflows and outflows of resources related to pensions results in an increase in benefit expense and a decrease in net position.		(604,678)
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Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.		2,923,713
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The issuance of long-term liabilities (e.g. direct borrowings) provides current financial resources to governmental funds but results in an increase in long-term liabilities in the Statement of Net Position. Repayment of principal on long-term liabilities is an expenditure in governmental funds, but reduces liabilities in the Statement of Net Position. In the Statement of Activities, interest expense and changes in compensated absences are recognized when incurred.

Proceeds from issuance of lease and SBITA liability		(3,301,869)
Proceeds from issuance of note payable		(8,947,271)
Payment of principal on long-term liabilities		1,088,594
Change in compensated absences		56,426
		56,426

Change in net position of governmental activities	\$	(5,617,525)
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The accompanying notes are an integral part of these financial statements.

CARBON COUNTY, WYOMING
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2023

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 6,146,557
Investments	4,158,184
Receivables	<u>12,958,372</u>
 Total assets	 <u>23,263,113</u>
Liabilities:	
Due to other taxing units	<u>23,263,113</u>
 Total liabilities	 <u>23,263,113</u>
Net position:	 \$ <u><u>-</u></u>

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

CARBON COUNTY, WYOMING
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2023

	<u>Custodial Funds</u>
Additions:	
Tax collections for other governments	\$ <u>89,116,339</u>
Total additions	<u>89,116,339</u>
Deductions:	
Tax distributions to other governments	<u>89,116,339</u>
Total deductions	<u>89,116,339</u>
Change in net position	-
Net position – beginning	<u>-</u>
Net position – ending	\$ <u><u>-</u></u>

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

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

	Weed and Pest Control District	County Fair Board	County Museum	County Library	Total
<u>Assets</u>					
Cash and cash equivalents	\$ 1,584,489	413,341	210,626	306,602	2,515,058
Receivables, net	40,052	-	-	-	40,052
Taxes receivable	940,542	110,972	-	43,786	1,095,300
Prepaid expenses	13,792	-	-	-	13,792
Inventories	589,808	-	-	-	589,808
Capital assets, net of accumulated depreciation	279,255	147,915	63,387	8,800	499,357
Total assets	3,447,938	672,228	274,013	359,188	4,753,367
<u>Deferred outflows of resources</u>					
Pensions	45,896	-	-	85,166	131,062
Total deferred outflows of resources	45,896	-	-	85,166	131,062
<u>Liabilities</u>					
Accounts payable and accrued liabilities	424,888	90,604	5,056	15,664	536,212
Unearned revenue	-	-	19,520	-	19,520
Long-term liabilities:					
Due within one year:					
Compensated absences	49,000	-	-	-	49,000
Net pension liability	240,247	-	-	419,151	659,398
Total liabilities	714,135	90,604	24,576	434,815	1,264,130
<u>Deferred inflows of resources</u>					
Pensions	14,936	-	-	4,322	19,258
Property taxes	900,000	-	-	-	900,000
Total deferred inflows of resources	914,936	-	-	4,322	919,258
<u>Net position</u>					
Net investment in capital assets	279,255	147,915	63,387	8,800	499,357
Unrestricted	1,585,508	433,709	186,050	(3,583)	2,201,684
Total net position	\$ 1,864,763	581,624	249,437	5,217	2,701,041

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

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

	<u>Weed and Pest Control District</u>	<u>County Fair Board</u>	<u>County Museum</u>	<u>County Library</u>	<u>Total</u>
Expenses	\$ <u>1,618,293</u>	<u>275,926</u>	<u>209,461</u>	<u>502,123</u>	<u>2,605,803</u>
Program revenues:					
Charges for services	547,972	126,341	2,143	7,430	683,886
Operating grants and contributions	<u>244,378</u>	<u>171,950</u>	<u>36,732</u>	<u>103,580</u>	<u>556,640</u>
Total program revenues	<u>792,350</u>	<u>298,291</u>	<u>38,875</u>	<u>111,010</u>	<u>1,240,526</u>
Net expenses	<u>(825,943)</u>	<u>22,365</u>	<u>(170,586)</u>	<u>(391,113)</u>	<u>(1,365,277)</u>
General revenues:					
Taxes	914,144	56,107	226,894	364,335	1,561,480
Interest and investment income	4,743	1,332	610	3,534	10,219
Gain on disposal of assets	12,400	-	-	-	12,400
Miscellaneous	<u>130</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>430</u>
Total general revenues	<u>931,417</u>	<u>57,439</u>	<u>227,504</u>	<u>368,169</u>	<u>1,584,529</u>
Change in net position	105,474	79,804	56,918	(22,944)	219,252
Net position – beginning	<u>1,759,289</u>	<u>501,820</u>	<u>192,519</u>	<u>28,161</u>	<u>2,481,789</u>
Net position – ending	\$ <u><u>1,864,763</u></u>	<u><u>581,624</u></u>	<u><u>249,437</u></u>	<u><u>5,217</u></u>	<u><u>2,701,041</u></u>

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

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

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

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

Discretely Presented Component Units

The Carbon County 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 because the Board of Commissioners approves the District's budget and tax levy. The District is presented as a governmental fund type. The District issues separate financial statements which can be obtained at 1301 Bonanza Street, Rawlins, Wyoming, 82301.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Discretely Presented Component Units (continued)

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

The Carbon County Library System (the Library) maintains and manages the operations of the County Library system. The Library is fiscally dependent upon the County because the Board of Commissioners approves the Library's budget, levies taxes on behalf of the Library and must approve any debt issuance. The Library's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Library does not issue separate financial statements.

The Carbon County Museum Board (the Museum) maintains and manages the operations of the County Museum. The Museum is fiscally dependent upon the County because the Board of Commissioners approves the Museum's budget, levies taxes (if necessary), and must approve any debt issuances. The Museum's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Museum does not issue separate financial statements.

The Memorial Hospital of Carbon County (the Hospital) is a 25-bed critical access hospital located in Rawlins, Wyoming, that provides services to patients who are generally residents of Carbon County. The Hospital also operates clinics, adult home care, and ambulance services. The Hospital is fiscally dependent upon the County because the Board of Commissioners approves the Hospital's budget (if taxes have been levied), levies taxes (if necessary), appoints the Board of Trustees for the Hospital, and must approve any debt issuances. The Hospital is presented as a proprietary fund type. The Hospital's financial data is not included in the accompanying financial statements. The Hospital does issue separate external financial statements, which can be obtained from the Hospital's administrative offices at 2221 West Elm Street, Rawlins, Wyoming, 82301.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Jointly Governed Organizations

The Carbon County Specific Purpose Tax Joint Powers Board (the Board) was created for the purpose of financing and constructing certain improvements to the Carbon buildings and throughout the County. The County entered into a lease agreement with the Board wherein the County leases the building improvements from the Board as they are constructed. The Board operates independently from the County and receives an independent financial statement audit each year. The Board's audited financial statements can be obtained from the County Treasurer.

Basic Financial Statements

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

Government-Wide Statements

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

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

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

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

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

Fund Financial Statements

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

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

Governmental Funds

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

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

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

The County's major governmental funds consist of the General Fund (see description above), the County Roads Fund, and the Impact Tax Fund. The County Roads Fund is a special revenue fund established to receive special fuels taxes used for road maintenance. The Impact Tax Fund is a special revenue fund established to receive various impact assistance payments to help the County mitigate the impacts associated with large industrial projects.

The County has no nonmajor governmental funds.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Fiduciary Funds

The County's fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for other individuals or organizations. The fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The County has two custodial funds. Custodial funds are used to account for assets held by the County as an agent for other governmental units, other organizations, or individuals. These assets are primarily made up of tax collections. The County accounts for these funds in accordance with GASB Statement No. 84 "Fiduciary Activities" (GASB 84).

Measurement Focus and Basis of Accounting

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

Economic Resources Measurement Focus and Accrual Basis of Accounting

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

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Current Financial Resources Measurement Focus and Modified Accrual Basis of Accounting

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

Property taxes, sales taxes, franchise taxes, motor vehicle taxes, other taxes, and interest income associated with the current fiscal period that are susceptible to accrual, and received in the availability period (within 60 days of year-end), are recognized as revenues of the fiscal period they are intended to finance. All taxes and internally dedicated resources are reported as general revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. Program revenues, which include charges to customers and contributions for operational or capital requirements, are recorded as revenue when earned and the amount is received within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered measurable and available only when cash is received by the government.

Component Unit Financial Statements

The combining component unit financial statements are presented in order to provide information on each of the major component units included in the component units column of the government-wide financial statements. The component unit financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The information is presented to be consistent with the government-wide financial statements. The fiscal years of the component units are the same as the primary government.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Financial Statement Amounts

Cash and Cash Equivalents

For the purposes of the statement of net position, the term “cash and cash equivalents” includes all demand deposits, savings accounts, certificates of deposit, or other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Pooled Cash and Cash Equivalents

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

Investments

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

Receivables and Due from Other Governments

Receivables consist of revenues earned as of year-end but received after year-end. All receivable balances are reported net of any allowance for uncollectible accounts. Allowances for uncollectible accounts are based upon historical trends and current data regarding the condition of specific debtors as of the date of issuance of the financial statements.

Due from other governments consists of amounts due to the County at year-end but remitted after year-end. The balance consists primarily of sales tax and other taxes due from the State of Wyoming, and reimbursements for grant expenditures due from the State of Wyoming, the federal government, or other agencies.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market and consist of pesticides, insecticides, and other supplies used in the operation of the District.

Prepaid expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

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

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

Infrastructure	50 years
Buildings	40 years
Building improvements	20 years
Equipment and vehicles	5 to 12 years

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Leases

The County leases various buildings, property, and equipment under noncancellable leases. The County recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements with an initial, individual value of \$50,000 or more and a lease term of more than one year, including expected extensions. At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of its useful life or lease term. Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

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

Right-to-use lease assets are reported with capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Subscription-Based Information Technology Arrangements

The County has entered into several noncancellable subscription-based information technology arrangements (SBITAs) which convey control of a third party's IT software to the County over a period of time. The County recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the financial statements with an initial, individual value of \$20,000 or more and a subscription term of more than one year, including expected extensions.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Subscription-Based Information Technology Arrangements (continued)

At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the sum of (1) the initial subscription liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over the subscription term.

Key estimates and judgements related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA.
- SBITA payments included in the measurement of the subscription liability are composed of fixed payments and any other payments to the SBITA vendor associated with the SBITA that are reasonably certain of being required based on an assessment of all relevant factors.

The County monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

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

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

Unearned Revenues

In the government-wide financial statements and the governmental fund financial statements, unearned revenue is recognized when cash or other assets are received or recognized prior to completion of the earnings process. The unearned revenues are related to grant proceeds received in advance of qualifying expenditures/expenses.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Long-Term Liabilities

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

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

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave accumulate for all full-time permanent employees dependent upon years of service. Accumulated vacation leave is payable to the employee upon termination of employment. A maximum of 480 hours may be vested. County employees accrue sick leave at a rate of one day per month. Sick leave may be accumulated to a total of sixty working days. County employees receive payment for one-half of the current balance of unused sick leave, up to a maximum of 30 days, at the rate of \$50 per day.

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave accumulate for all employees dependent upon years of service. Accumulated vacation leave is payable to the employee upon termination of employment up to a maximum of 240 hours depending on years of service. Fifty percent of accumulated sick leave is payable to the employee upon termination of employment up to a maximum of 1,040 hours.

An estimated liability for vacation and sick leave is reported in the government-wide financial statements and the expense is allocated by function based on where the employee is assigned. In the fund financial statements, governmental funds do not report a liability for compensated absences. The expenditure is reported when vacation or sick time is taken. Compensated absences are generally liquidated by the General Fund.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Interfund Balances and Transactions

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

Equity Classifications

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

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

Fund Balance Classifications

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

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The County has classified prepaid expenses as nonspendable.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balance Classifications (continued)

- *Restricted* – This classification includes amounts for which constraints have been placed on the use of resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners. These amounts cannot be used for any purpose unless the County Commissioners removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- *Assigned* – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the County Commissioners. No other governing body or officials have this authority delegated to them. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- *Unassigned* – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

Net position flow assumption

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

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 1 – Summary of Significant Accounting Policies (continued)

Fund balance flow assumptions

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

Estimates

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

Property Tax Calendar and Rates

The County assesses all taxable property other than centrally assessed property, which is assessed by the State of Wyoming, by January 1 of each year. Property taxes are levied on or about August 1 and are billed in two installments on September 1 and March 1 and become delinquent after November 10 and May 10. If paid in full, the entire amount is due December 31, of each year. The County bills and collects its own property taxes as well as property taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for other taxing entities are accounted for in the Treasurer's Tax Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables which means collected within the current period or expected to be collected within 60 days after the period end to be used to pay liabilities of the current period. State law allows anyone to pay the delinquent taxes on a property and obtain an enforceable lien on that property.

The County is permitted by Wyoming Statute to levy taxes up to 12 mills of assessed valuation for all purposes excluding general school tax, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2023, was 12 mills. The County has no unused tax margin as of June 30, 2023.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 2 – Change in Accounting Principle

On July 1, 2022, the County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which requires recognition of certain subscription assets and liabilities. The adoption of this standard did not result in an increase to beginning net position or beginning fund balance. For component units, the adoption of this standard resulted in no change to beginning net position.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments

Primary Government

Deposits and investments consist of the following:

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
<i>Governmental funds</i>				
Pooled cash and cash equivalents	\$ 12,374,808	-	-	12,374,808
Cash and cash equivalents:				
Demand deposits	3,738	-	-	3,738
WYO-STAR	-	12,411,182	-	12,411,182
Cash-on-hand	-	-	4,572	4,572
Total cash and cash equivalents	3,738	12,411,182	4,572	12,419,492
Investments:				
Government bonds	-	523,082	-	523,082
Other securities	-	-	1,791	1,791
Certificates of deposit	-	1,787,116	-	1,787,116
Total investments	-	2,310,198	1,791	2,311,989
<i>Total governmental funds</i>	<u>\$ 12,378,546</u>	<u>14,721,380</u>	<u>6,363</u>	<u>27,106,289</u>
<i>Fiduciary funds</i>				
Cash and cash equivalents:				
Demand deposits	\$ 3,986,231	-	-	3,986,231
Money market	2,160,326	-	-	2,160,326
Total cash and cash equivalents	6,146,557	-	-	6,146,557
Investments:				
WYO-STAR	-	3,323,614	-	3,323,614
Wyoming CLASS	-	834,570	-	834,570
Total investments	-	4,158,184	-	4,158,184
<i>Total fiduciary funds</i>	<u>\$ 6,146,557</u>	<u>4,158,184</u>	<u>-</u>	<u>10,304,741</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments (continued)

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

Deposits

State law specifies the types of financial institutions in which the County can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2023, all deposits of the County were fully collateralized or insured.

Investments

Wyoming statutes (W.S. 9-4-831) specifically identify the types of investments that may be held by the County and the conditions for making investment transactions. Accordingly, the County may invest in the following investments:

- United States treasury bills, notes, or bonds or any other obligation issued by the United States treasury or guaranteed by the United States;
- bonds, notes, debentures or any other obligation or securities issued by or guaranteed by any federal government agency or instrumentality;
- repurchase agreements involving securities which are authorized investments that have been previously mentioned and subject to certain limitations, mortgage-backed securities that are obligations of or guaranteed or insured issuances of the United States, its agencies, instrumentalities or organizations created by an act of Congress excluding those defined as high risk;
- bankers’ acceptances eligible for purchase by the federal reserve system;
- guaranteed investment contracts if issued by a United States commercial bank or insurance company whose credit rating is of the highest category;
- a commingled fund of eligible securities if the securities are held through a trust department of a bank authorized to do business in the State of Wyoming or through a trust company authorized to do business in the State of Wyoming with total capital of at least \$10,000,000; bonds of the Wyoming Natural Gas Pipeline Authority and the Wyoming Infrastructure Authority;
- commercial paper of corporations organized and existing under the laws of any state of the United States with a maturity of not more than 270 days and rated by Moody’s as P-1 or by Standard and Poor as A-1 or equivalent ratings indicating that the commercial paper issued by a corporation is of the highest quality rating;

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments (continued)

Investments (continued)

- diversified money market funds in which the County does not own more than 10% of the net position of the funds and subject to several other limits.

The County may also enter into contracts which are determined to be necessary or appropriate to hedge risk or to place the obligation of the bonds, in whole or in part, on the interest rate, cash flow, or other basis; but these contracts may not be used for investment.

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

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

WYO-STAR operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of WYO-STAR are allocated monthly based on the participant's average balance in relation to the total balance of the pool. The fair value of the WYO-STAR investment pool is approximately equal to the value of the pool shares. As such, amounts held with WYO-STAR of \$15,734,796 are carried at amortized cost and are considered cash and cash equivalents.

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

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

Wyoming CLASS operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of Wyoming CLASS are allocated monthly based on the participant's average balance in relation to the total balance of the pool. As such, amounts held with Wyoming CLASS of \$834,570 are carried at amortized cost and are considered cash and cash equivalents.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments (continued)

At June 30, 2023, the County also had investments in various US government-backed bonds, corporate bonds, and mortgage-backed securities as follows:

Investment Type	Fair Value	Credit Rating	Investment Maturities (in years)			
			Less than 1	1 to 5	6 to 10	More than 10
Government securities:						
Federal Farm Credit Bank	\$ 237,321	AA+	-	237,321	-	-
Federal Home Loan Bank	285,761	AA+	-	285,761	-	-
Total government securities	523,082		-	523,082	-	-
WYO-STAR	15,734,796	Not Rated	15,734,796	-	-	-
Wyoming CLASS	834,570	Not Rated	834,570	-	-	-
Certificates of deposit	1,787,116	Not Rated	834,570	-	-	-
	<u>\$ 18,879,564</u>		<u>17,403,936</u>	<u>523,082</u>	<u>-</u>	<u>-</u>

The County uses the specific identification method to assess interest rate risk.

Fair Value

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County's governmental activities have the following recurring fair value measurements as of June 30, 2023:

- The fair value of government securities of \$523,082 and certificates of deposit of \$1,787,116 is determined by an independent pricing service using recently executed transactions, market price quotations, and pricing models that factor in, where applicable, interest rates, bond spreads, and volatility (Level 2 inputs).

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy for managing its exposure to fair value loss arising from increasing interest rates is to invest no more than 75% of the portfolio of securities with maturities exceeding 1 year and no more than 25% of the portfolio of securities with maturities exceeding 5 years.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments (continued)

Credit Risk

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

Concentration of Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's policy for custodial risk is that all securities purchased by the County shall be properly designated as assets of the County and held in safekeeping by a third-party custodial bank or third-party custodial institution chartered by the United States Government or the State of Wyoming and no withdrawal of such securities shall be made from the safekeeping except by the Treasurer or Deputy Treasurer. All security transactions, including collateral for repurchase agreements, entered into by the County shall be conducted on a delivery-versus-payment basis. Securities will be held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts. Government bonds are held in the name of the County by the investment broker.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments (continued)

Component Units

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

<u>Financial Statement Description</u>	<u>Deposits</u>	<u>Investments</u>	<u>Cash</u>	<u>Total</u>
Cash and cash equivalents:				
Demand deposits	\$ 979,332	-	-	979,332
Certificates of deposit	442,133	-	-	442,133
WYO-STAR	-	128,015	-	128,015
WSL	-	44,823	-	44,823
Money market accounts	919,560	-	-	919,560
Cash-on-hand	-	-	1,195	1,195
Total cash and cash equivalents	\$ 2,341,025	172,838	1,195	2,515,058

Deposits

State law specifies the types of financial institutions in which the component units can deposit monies. In addition, State law requires that all deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation or secured by a pledge of collateral or the furnishing of a surety bond. At June 30, 2023, all deposits of component units were fully collateralized or insured.

Investments

The component units have investments in WYO-STAR and WSL of \$128,015 and \$44,823, respectively. These investments are carried at amortized cost and are considered cash and cash equivalents. Certificates of deposit held by the component units in the Bank of Commerce of \$442,133 are also considered cash and cash equivalents.

Component units manage their investment risk as follows:

Interest Rate Risk

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

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 3 – Deposits and Investments (continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The component units' policies for reducing exposure to credit risk are to comply with the Wyoming State Statutes. At June 30, 2023, all investments held by the component units are in WYO-STAR, WSL, and the Bank of Commerce which are unrated.

Concentration of Credit Risk

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

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the component units will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The component units have no formal policies with respect to custodial credit risk. As of June 30, 2023, all of the component units' investments are in WYO-STAR, WSL, and certificates of deposit with the Bank of Commerce.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 4 – Receivables and Due from Other Governments

Primary Government

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

Taxes receivable:	
Property taxes – current	\$ 4,403,929
Property taxes – deferred to future periods	<u>11,318,301</u>
Total taxes receivable	<u>\$ 15,722,230</u>
Due from other governments:	
Sales, use, and other taxes	<u>\$ 1,622,472</u>
Total due from other governments	<u>\$ 1,622,472</u>

Component Units

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

<i>Weed and Pest:</i>	
Trade receivables	<u>\$ 40,052</u>
Taxes receivable	
Property taxes – deferred to future periods	\$ 900,000
Property taxes – current	<u>40,542</u>
Total taxes receivable	<u>\$ 940,542</u>
<i>County Fair:</i>	
Property taxes	<u>\$ 110,972</u>
<i>County Library:</i>	
Property taxes	<u>\$ 43,786</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Capital Assets

Governmental Activities

Capital asset activity is as follows:

	Balance 7/1/22	Additions	Retirements and Transfers	Balance 6/30/23
Capital assets not being depreciated/amortized:				
Land	\$ 2,133,548	-	-	2,133,548
	<u>2,133,548</u>	<u>-</u>	<u>-</u>	<u>2,133,548</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	42,734,115	2,816,672	(245,010)	45,305,777
Infrastructure	54,565,880	-	(161,859)	54,404,021
Equipment and vehicles	16,575,102	1,580,767	(498,019)	17,657,850
Right-to-use equipment	2,650,291	801,784	(55,588)	3,396,487
Right-to-use buildings	14,874,394	2,377,556	-	17,251,950
Subscription asset	-	122,529	-	122,529
	<u>131,399,782</u>	<u>7,699,308</u>	<u>(960,476)</u>	<u>138,138,614</u>
Accumulated depreciation and amortization for:				
Buildings and improvements	(19,624,628)	(976,233)	40,793	(20,560,068)
Infrastructure	(38,675,874)	(1,271,259)	63,395	(39,883,738)
Equipment and vehicles	(12,326,041)	(952,472)	464,577	(12,813,936)
Right-to-use equipment	(458,090)	(577,323)	55,588	(979,825)
Right-to-use buildings	(1,062,457)	(1,062,457)	-	(2,124,914)
Subscription asset	-	(40,956)	-	(40,956)
	<u>(72,147,090)</u>	<u>(4,880,700)</u>	<u>624,353</u>	<u>(76,403,437)</u>
Total capital assets being depreciated/amortized, net	<u>59,252,692</u>	<u>2,818,608</u>	<u>(336,123)</u>	<u>61,735,177</u>
Total governmental activities capital assets, net	<u>\$ 61,386,240</u>	<u>2,818,608</u>	<u>(336,123)</u>	<u>63,868,725</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Capital Assets (continued)

Component Units

Capital asset activity of component units is as follows:

	Balance 7/1/22	Additions	Retirements and Transfers	Balance 6/30/23
Weed and Pest:				
Buildings and improvements	\$ 210,650	-	-	210,650
Property and equipment	530,027	73,322	(43,200)	560,149
Accumulated depreciation	(510,068)	(24,676)	43,200	(491,544)
	<u>\$ 230,609</u>	<u>48,646</u>	<u>-</u>	<u>279,255</u>
County Fair:				
Equipment	\$ 201,106	10,233	-	211,339
Accumulated depreciation	(44,421)	(19,003)	-	(63,424)
	<u>\$ 156,685</u>	<u>(8,770)</u>	<u>-</u>	<u>147,915</u>
County Museum:				
Buildings and improvements	\$ 199,586	-	-	199,586
Accumulated depreciation	(130,149)	(6,050)	-	(136,199)
	<u>\$ 69,437</u>	<u>(6,050)</u>	<u>-</u>	<u>63,387</u>
County Library:				
Vehicles	\$ 16,500	-	-	16,500
Accumulated depreciation	(4,400)	(3,300)	-	(7,700)
	<u>\$ 12,100</u>	<u>(3,300)</u>	<u>-</u>	<u>8,800</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 5 – Capital Assets (continued)

Depreciation expense was charged to the component units as follows:

Weed and Pest	\$ 24,676
County Fair	19,003
County Museum	6,050
County Library	<u>3,300</u>
	\$ <u>53,029</u>

Note 6 – Accounts Payable and Accrued Liabilities

Primary Government

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

Payables to vendors	\$ 978,983
Self insurance payable	94,579
Accrued interest	<u>37,754</u>
	\$ <u>1,111,316</u>

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

<i>Weed and Pest:</i>	
Payables to vendors	\$ <u>424,888</u>
<i>County Fair:</i>	
Payables to vendors	\$ <u>90,604</u>
<i>County Museum:</i>	
Payables to vendors	\$ <u>5,056</u>
<i>County Library:</i>	
Payables to vendors	\$ <u>15,664</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities

Primary Government

Long-term liability activity is as follows:

	Balance 7/1/22	Additions	Reductions	Balance 6/30/23	Due Within One Year
<i>Governmental Activities:</i>					
Compensated absences	\$ 502,100	143,574	(200,000)	445,674	30,000
Lease liability	16,930,277	3,179,340	(692,787)	19,416,830	697,517
Direct borrowing - note payable	506,041	8,947,271	(380,000)	9,073,312	425,483
Subscription liability	-	122,529	(15,807)	106,722	53,652
	<u>\$ 17,938,418</u>	<u>12,392,714</u>	<u>(1,288,594)</u>	<u>29,042,538</u>	<u>1,206,652</u>

Leases

The County is committed under seven leases as lessee for buildings and improvements and equipment. The County is required to make semiannual and annual principal and interest payments ranging from \$29,352 to \$541,112, and the leases expire at various dates ranging from May 2023 to June 2035. The leases carry interest rates ranging from 2.19% to 3.95%. As of June 30, 2023, the lease liability was \$19,416,830.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities (continued)

Leases (continued)

The County's leases consist of the following:

Leases payable to Carbon County Specific Purpose Tax Joint Powers Board, due in semi-annual installments, including interest at 2.87% through June 2035, secured by building.	\$ 16,982,542
Lease payable to Pinnacle Public Finance, due in semi-annual installments of \$158,741, including interest at 2.35% through June 2028, secured by equipment.	1,489,466
Lease payable to RNB State Bank, due in annual installments of \$117,381, including interest at 3.95% through June 2029, secured by equipment.	615,146
Lease payable to Pinnacle Public Finance, due in semi-annual installments of \$49,123, including interest at 2.54% through November 2024, secured by equipment.	143,705
Lease payable to the Kinetic Leasing, Inc., due in annual installments of \$60,426, including interest at 2.19% through December 2024, secured by real estate and the hospital building.	117,437
Lease payable to Capital Business Systems, Inc. due in monthly installments of \$1,407, including interest at 3.01% through October 2027, secured by equipment.	<u>68,534</u>
	\$ <u><u>19,416,830</u></u>

The assets being leased have estimated useful lives ranging from two to fourteen years. The value of the right-to-use assets as of June 30, 2023 was \$20,704,025 and had accumulated amortization of \$3,160,327.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities (continued)

Leases (continued)

The following is a schedule of future principal and interest payments required under these leases:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 697,517	542,108	1,239,625
2025	657,841	532,660	1,190,501
2026	1,235,209	515,743	1,750,952
2027	1,998,497	480,655	2,479,152
2028	2,042,057	423,797	2,465,854
2029 - 2033	8,912,343	1,330,237	10,242,580
2034 - 2035	3,873,366	806,473	4,679,839
	<u>\$ 19,416,830</u>	<u>4,631,673</u>	<u>24,048,503</u>

SBITAs

The County has entered into three SBITAs with remaining subscription terms ranging from 1 to 3 years. During the year ended June 30, 2023, an initial subscription liability was recorded in the amount of \$122,527. As of June 30, 2023, the value of the subscription liability was \$106,722. The County is required to make annual principal and interest payments of \$6,433 to \$16,350. The incremental borrowing rates used to determine the lease liability is 2.72%. The right-to-use assets associated with these subscriptions have estimated useful lives ranging between 1 and 3 years. As of June 30, 2023, the value of the right-to-use assets, net of accumulated amortization are as follows:

Subscription asset balance, net of amortization, for fiscal year ended June 30, 2023:

<u>Subscription Assets</u>	<u>Accumulated Amortization</u>	<u>Net Subscription Assets Balance</u>
\$ 122,529	40,957	\$ 81,572

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities (continued)

SBITAs

The following is a summary of changes in subscription liabilities for the year ended June 30, 2023:

<u>Liability</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2023</u>
Subscription liability	\$ -	122,529	(15,807)	\$ 106,722

During the years ended June 30, 2023, the County's principal and interest payments are as follows:

Principal	\$ 15,807
Interest expense	<u>615</u>
Total	<u><u>\$ 16,422</u></u>

As of June 30, 2023, there are no commitments under SBITAs before individual commencement dates.

During the year ended June 30, 2023, there were no additional variable payments or other payments associated with these subscriptions.

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

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Amount</u> <u>Required</u>
2024	\$ 53,070	2,790	55,860
2025	28,566	1,339	29,905
2026	18,826	687	19,513
2027	<u>6,260</u>	<u>172</u>	<u>6,432</u>
	<u>\$ 106,722</u>	<u>4,988</u>	<u>111,710</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 7 – Long-Term Liabilities (continued)

Notes Payable

The County has an unsecured note payable with an original principal balance of \$506,041 due to the State of Wyoming. This note bears no interest and is payable in annual installments of \$40,483 through December 2035. As of June 30, 2023, the note payable had a balance of \$506,041.

The County has a secured loan with NBH bank with draw-down financing in the amount of \$10,000,000. This loan bears 3.36% interest and is payable in semi-annual installments at various amounts through June 2041. As of June 30, 2023, the loan had a balance of \$8,567,271.

The annual requirements to amortize this note payable and loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 425,483	284,097	709,580
2025	450,483	260,573	711,056
2026	455,483	246,713	702,196
2027	485,483	232,265	717,748
2028	495,483	217,145	712,628
2029 - 2033	2,692,415	843,889	3,536,304
2034 - 2039	3,036,211	489,561	3,525,772
2040-2041	1,032,271	1,085,965	2,118,236
	<u>\$ 9,073,312</u>	<u>3,660,208</u>	<u>12,733,520</u>

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

Component Units

Long-term liability activity is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Weed and Pest:					
Compensated absences	\$ 49,000	15,535	(15,535)	49,000	49,000
	<u>\$ 49,000</u>	<u>15,535</u>	<u>(15,535)</u>	<u>49,000</u>	<u>49,000</u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8 – Net Position and Fund Equities

The following schedule details fund equity balances:

Governmental Activities:

Nonspendable:

Prepaid expenses	\$ 647,582
	<u>647,582</u>

Restricted:

Roads	3,406,015
SPT 2019 Project	3,932,477
Impact assistance	981,672
Emergency services (E911)	370,382
Abandoned vehicles	<u>16,874</u>
	<u>8,707,420</u>

Committed:

Dixon airport	165,232
Detention center operations and maintenance	799,412
Self funded insurance	<u>767,604</u>
	<u>1,732,248</u>

Assigned:

Special projects	152,623
Vaccine	8,651
Fire strike	210,426
Other purposes	<u>9,046</u>
	<u>380,746</u>

Unassigned

<u>10,795,454</u>
\$ <u><u>22,263,450</u></u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 8 – Net Position and Fund Equities (continued)

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

Note 9 – Retirement Plans

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

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

Public Employees Pension Plan

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

PEPP statutorily requires 18.62% of the participant's salary to be contributed to PEPP, consisting of 9.25% of the participant's salary as employee contributions and 9.37% as employer contributions. The amount of contributions designated as employee contributions represent the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. The employer may elect to cover a portion of the employee's contribution and currently the County pays 2.25% of the employee's salary.

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

- Tier 1, PEPP allows for normal retirement after four years of service and attainment of age 60, or upon meeting the requirements of the Rule of 85 (participant's age plus years of service equal or exceed 85). Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service, but will result in a reduction of benefits based on the length of time remaining to normal retirement.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

- Tier 2, PEPP allows for normal retirement after four years of service and attainment of age 65, or upon meeting the requirements of the Rule of 85. Early retirement is allowed provided the employee has completed four years of service and attained age 55 or 25 years of service, but will result in a reduction of benefits based on the length of time remaining to normal retirement.

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

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

Contributions by the County to PEPP for the year ended June 30, 2023 were \$937,334, and contributions by the County's Weed and Pest Control District (Weed and Pest) and Library Board (County Library) component units were \$31,147 and \$53,645, respectively.

Law Enforcement Pension Plan

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

LEPP statutorily requires participants to contribute 8.6% of their salary to LEPP and the employer is required to contribute 8.6% of each participant's salary. The County currently pays 1.6% of the employee's contribution.

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

Contributions by the County to LEPP for the year ended June 30, 2023 were \$506,690.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Wyoming Deferred Compensation Plan

The Wyoming Deferred Compensation Plan (WDCP) administered by the System is an IRS Section 457 Deferred Compensation Plan. WDCP is available as a supplemental plan to the defined benefit retirement plans. Contributions may be made into WDCP (subject to plan and Internal Revenue Code limitations) by employees and employer contributions may be made into WDCP at rates determined by the Town. Upon qualifying for distributions, benefits are paid out in lump sums, or as periodic benefit payments, at the option of the participant based on individual account balances and WDCP provisions. WDCP's account balances are fully vested to the participants at the time of deposit. Investments in WDCP are individually directed by WDCP participants among WRS approved investment options of varying degrees of risk and earnings potential. Participants may transfer their funds between these options daily. Investments of WDCP are valued daily. In addition to employee contributions, WDCP also accepts employer contributions on behalf of the employees, provided such contribution when added to the employees' deferred contribution does not exceed the maximum deferral permitted by the IRS.

During 2023, the County's involvement is limited to withholding the amounts elected by employees and remitting those amounts to the Wyoming Deferred Compensation Plan.

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

Governmental Activities:

At June 30, 2023, the County reported an entity-wide net pension liability of \$11,335,859 related to governmental activities which was calculated as follows:

	Measured at: December 31, 2022		December 31, 2021	
	Net Pension Liability	Proportionate Share	Proportionate Share	Change
PEPP	\$ 6,394,154	0.2339769%	0.2348222%	-0.0008%
LEPP	4,941,705	1.4506496%	1.4764443%	-0.0258%
Total net pension liability	\$ <u>11,335,859</u>			

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Component Units

At June 30, 2023, the County reported for component units a net pension liability of \$659,398, of which \$240,247 is related to the Weed and Pest and \$419,151 is related to the Library Board, and was calculated as follows:

	Measured at: December 31, 2022		December 31, 2021	
<u>PEPP</u>	Net Pension Liability	Proportionate Share	Proportionate Share	Change
Weed and Pest	\$ 240,247	0.0087912%	0.0095928%	-0.00080%
County Library	419,151	0.0153377%	0.0153372%	0.00000%
Total net pension liability	\$ <u>659,398</u>			

The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2022.

Governmental Activities

For the year ended June 30, 2023, the County recognized entity-wide pension expense related to governmental activities of \$1,459,065.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Difference between expected and actual experience	\$ 148,750	196,371
Net difference between projected and actual earnings on pension plan investments	897,237	-
Changes of assumptions	2,218,158	764,244
Change in proportion and differences between contributions and proportionate share of contributions	4,138	833,781
Contributions subsequent to the measurement date	681,621	-
	<hr/>	<hr/>
	\$ 3,949,904	1,794,396
	<hr/>	<hr/>

Deferred outflows of resources related to pensions resulting from County contributions of \$681,621 made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

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

Year Ending <u>June 30,</u>	Net Deferred Outflows (Inflows) of
2024	\$ (149,279)
2025	578,717
2026	100,924
2027	<u>943,525</u>
	\$ <u><u>1,473,887</u></u>

Component Units

For the year ended June 30, 2023, component units of the County recognized a combined actuarial pension expense of \$14,239. At June 30, 2023, component units of the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Weed and Pest Deferred Outflows (Inflows) of Resources	County Library Deferred Outflows (Inflows) of Resources
Difference between expected and actual experience	\$ (318)	(555)
Net difference between projected and actual	20,681	36,081
Change in assumptions	6,448	11,249
Change in proportion and differences between contributions and proportionate share of contributions	(11,126)	6,376
Contributions subsequent to the measurement date	<u>15,275</u>	<u>27,693</u>
	\$ <u><u>30,960</u></u>	<u><u>80,844</u></u>

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Component Units

Deferred outflows of resources related to pensions resulting from Weed and Pest and County Library contributions of \$15,275 and \$27,693, respectively, made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Weed and Pest Net Deferred Outflows of Resources</u>	<u>County Library Net Deferred Outflows of Resources</u>
2024	\$ (9,972)	(8,802)
2025	(1,745)	9,929
2026	5,045	13,018
2027	22,357	39,006
	<u>\$ 15,685</u>	<u>53,151</u>

Actuarial Assumptions

The total pension liability based on the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PEPP</u>	<u>LEPP</u>
Projected salary increases, includes inflation	2.5% to 6.5%	5.25% to 9.25%
Assumed inflation rate	2.25%	2.25%
Investment Rate of Return	6.80%	6.80%

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

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

Discount Rate

The discount rate used to measure the total pension liability for PEPP was 6.80%. The discount rate for the LEPP was 5.53%. The long-term expected rate of return used to measure the total pension liability for all plans was 6.80%. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made based on the actuarially determined rates based on the Wyoming State Retirement Board's funding policy, which establishes the contractually required rates under Wyoming State statutes. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

The assumed asset allocation of each plan's portfolio, the long-term expected rate of return for each asset class, and the expected rate of return is presented arithmetically and geometrically below over a 20-year period.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate arithmetic expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

For each major asset class that is included in each plan's target asset allocation as amended and effective on July 1, 2022 and return estimates as of January 1, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Real Return	Geometric Nominal Return
Tactical Cash	0.5%	0.3%	2.9%	30.0%	2.9%
Gold	1.5%	0.8%	3.3%	2.3%	4.9%
Fixed Income	20.0%	4.1%	6.6%	3.6%	6.2%
Equity	51.5%	9.0%	11.6%	7.1%	9.7%
Marketable Alternatives	16.0%	6.0%	8.6%	5.1%	7.7%
Private Markets	10.5%	7.7%	10.3%	6.1%	8.6%
Total	100%	7.23%	9.81%	5.86%	8.45%

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

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

Governmental Activities:

	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
<i>PEPP</i>			
Proportionate share of net pension liability	\$ 9,441,870	\$ 6,394,154	\$ 3,868,424

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 9 – Retirement Plans (continued)

Component Units:

	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
	<hr/>	<hr/>	<hr/>
<i>Weed and Pest Control - PEPP</i>			
Proportionate share of net pension liability	\$ 354,759	\$ 240,247	\$ 145,348

County Library - PEPP

Proportionate share of net pension liability	\$ 618,935	\$ 419,151	\$ 253,584
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For LEPP, the following presents the proportionate share of the net pension liability calculated using a discount rate of 5.53 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.53 percent) or 1-percentage-point higher (6.53 percent) than the current rate:

	1% Decrease 4.53%	Discount Rate 5.53%	1% Increase 6.53%
	<hr/>	<hr/>	<hr/>
<i>LEPP</i>			
Proportionate share of net pension liability (asset)	\$ 7,437,548	\$ 4,941,705	\$ 2,935,566

Pension plan fiduciary net position

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

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10 – Other Post-Employment Benefits

Description

The County has a single-employer defined benefit post-employment healthcare plan that was effective October 1, 2015. The plan has a fiscal year ending June 30. The plan is administered by BlueCross BlueShield of Wyoming and is not administered through a trust.

Benefits

All former employees, who have met certain requirements, are eligible to participate in the plan. The plan provides for employee and dependent healthcare coverage from the date of retirement onward, provided the participant was covered by the County's health insurance plan prior to retiring. This plan is secondary to Medicare for all eligible retirees and/or dependents who are age sixty-five (65) or older.

The other post-employment benefits (OPEB) liability represents the County's total liability for its retirees' healthcare plan. The County's net OPEB liability at June 30, 2023 was calculated as follows:

OPEB liability balance - June 30, 2022	\$ 3,084,321
Service cost	145,146
Interest on the total OPEB liability	69,706
Difference between expected and actual experience	(1,661,037)
Changes of assumptions	(45,478)
Estimated benefit payments	<u>(190,731)</u>
 OPEB liability balance - June 30, 2023	 \$ <u>1,401,927</u>

OPEB Expense/Deferred Outflows

For the year ended June 30, 2023, the County recognized OPEB benefit of \$191,893. The County reported deferred outflows of resources of \$1,152,154 which consisted of differences between expected and actual experience, changes in assumptions, and contributions subsequent to the measurement date.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10 – Other Post-Employment Benefits (continued)

Participants

The OPEB plan reported the following participant data:

Active Participants:	
Active Number	99
Average Future Service	7.9
Inactive Participants:	
Retirees Number	10
Average Age	60.6
Total Participant Number	109

Actuarial Assumptions

Actuarial valuations are performed annually with the most recent valuation date of October 1, 2022. Actuarial methods and assumptions are disclosed below for the County's retirement healthcare plan.

Measurement Date	October 1, 2022
Census Data	October 24, 2023
Salary Scale	3.0% per year
Employees Included in the Calculation	All current employees on 10/24/2023
	Pub-2010 Total General Employee Dataset
	Headcount-Weighted Mortality Table with
Mortality Rates	generational projection of mortality
	improvements using the MP-2021 Projection
	Scale.
Plan Participants	70% of retired employees are assumed to
	participate
Marital Assumptions	None
Market-related Value of Assets	20-year Municipal Bond AA rate
Cost Method	Entry Age Normal based upon salary

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 10 – Other Post-Employment Benefits (continued)

Rate Sensitivity

The following tables present the net OPEB liability considering the impact of two different rate sensitivity measures. The first measure is for interest rate sensitivity and is calculated using a discount rate of 3.80% as well as what the liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate. The second measure is for healthcare cost trend rate sensitivity and also calculates what the liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Discount Rate	1% Increase
<i>Interest Rate Sensitivity</i>	<u>2.80%</u>	<u>3.80%</u>	<u>4.80%</u>
Net OPEB liability	\$ 1,588,356	\$ 1,401,927	\$ 1,257,090
		Healthcare Cost Trend	
<i>Healthcare Cost Trend Rate Sensitivity</i>	<u>1% Decrease</u>	<u>Rates</u>	<u>1% Increase</u>
Net OPEB liability	\$ 1,258,293	\$ 1,401,927	\$ 1,570,877

Note 11 – Risk Management

County Health Plan

The County operates a self-insured employee health and dental benefit plan. The plan provides benefits to eligible employees and their dependents. The County pays the entire premium for the employee and pays all claims below the threshold of the reinsurance contracts the County has entered into. The County has entered into (stop-loss) reinsurance contracts for this plan at \$75,000 per individual and \$1,000,000 for the overall plan. At June 30, 2023, the plan had incurred claims payable and estimated claims incurred but not reported (IBNR) of \$94,579.

CARBON COUNTY, WYOMING
NOTES TO FINANCIAL STATEMENTS
June 30, 2023

Note 11 – Risk Management (continued)

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

Claims Liabilities 7/1/22	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/23
\$ 70,658	2,439,303	(2,415,382)	94,579

Claims Liabilities 7/1/21	Claims Incurred and Changes in Estimates	Claims Paid	Claims Liabilities 6/30/22
\$ 191,694	3,007,345	(3,128,381)	70,658

General Liability

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

Contingencies and Commitments

The County is involved in numerous mineral industry, ad valorem, and severance tax issues, including threatened litigation and claims for refunds and rebates. The extent of the possible liability is not known at this time. The tax monies received in protest have been placed in custodial funds until such time that the claims have been settled at which time, they will be distributed to the applicable taxing entity. In addition, the County has transferred general fund monies together with funds received from other taxing entities to a custodial fund until such time as the claims have been settled.

Required Supplementary Information

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes				
Property taxes	\$ 8,877,239	8,877,239	11,272,088	2,394,849
Payment in lieu of property taxes	750,000	750,000	1,601,336	851,336
Sales and use taxes	3,548,147	3,548,147	2,899,724	(648,423)
State gasoline tax	1,089,396	1,089,396	1,111,835	22,439
Other taxes	852,282	852,282	2,381,797	1,529,515
Total taxes	<u>15,117,064</u>	<u>15,117,064</u>	<u>19,266,780</u>	<u>4,149,716</u>
Other revenues				
Intergovernmental	6,098,584	6,098,584	3,758,576	(2,340,008)
Charges for services	3,826,804	3,826,804	4,947,914	1,121,110
Interest and investment income	55,800	55,800	483,742	427,942
Miscellaneous	120,325	120,325	969,618	849,293
Total other revenues	<u>10,101,513</u>	<u>10,101,513</u>	<u>10,159,850</u>	<u>58,337</u>
Total revenues	<u>25,218,577</u>	<u>25,218,577</u>	<u>29,426,630</u>	<u>4,208,053</u>
Expenditures:				
General government	30,738,579	30,677,874	26,201,640	4,476,234
Public safety	9,252,784	9,307,075	8,374,156	932,919
Highways and streets	2,161,695	2,171,695	2,463,338	(291,643)
Health and welfare	1,714,364	1,717,939	588,417	1,129,522
Culture and recreation	74,808	74,808	71,184	3,624
Debt service	1,854,950	1,854,950	1,514,819	340,131
Total expenditures	<u>45,797,180</u>	<u>45,804,341</u>	<u>39,213,554</u>	<u>6,590,787</u>
Deficiency of revenues over expenditures	<u>(20,578,603)</u>	<u>(20,585,764)</u>	<u>(9,786,924)</u>	<u>10,798,840</u>
Other financing sources:				
Proceeds from issuance of lease liability	-	-	3,301,869	3,301,869
Proceeds from long-term debt	-	-	6,530,699	6,530,699
Total other financing sources	<u>-</u>	<u>-</u>	<u>9,832,568</u>	<u>9,832,568</u>
Net change in fund balance	<u>\$ (20,578,603)</u>	<u>(20,585,764)</u>	<u>45,644</u>	<u>20,631,408</u>
Fund balance – beginning			<u>17,830,119</u>	
Fund balance – ending			<u>\$ 17,875,763</u>	

CARBON COUNTY, WYOMING
BUDGETARY COMPARISON SCHEDULE
COUNTY ROADS FUND
Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 525,460	525,460	494,431	(31,029)
Intergovernmental	194,348	194,348	168,673	(25,675)
Interest and investment income	<u>-</u>	<u>-</u>	<u>92,213</u>	<u>92,213</u>
Total revenues	<u>719,808</u>	<u>719,808</u>	<u>755,317</u>	<u>35,509</u>
Expenditures:				
Highways and streets	<u>3,967,583</u>	<u>3,967,583</u>	<u>677,219</u>	<u>3,290,364</u>
Total expenditures	<u>3,967,583</u>	<u>3,967,583</u>	<u>677,219</u>	<u>3,290,364</u>
Excess (deficiency) of revenues over expenditures	<u>(3,247,775)</u>	<u>(3,247,775)</u>	<u>78,098</u>	<u>3,325,873</u>
Net change in fund balance	<u><u>\$ (3,247,775)</u></u>	<u><u>(3,247,775)</u></u>	<u>78,098</u>	<u><u>3,325,873</u></u>
Fund balance – beginning			<u>3,327,917</u>	
Fund balance – ending			<u><u>\$ 3,406,015</u></u>	

CARBON COUNTY, WYOMING
BUDGETARY COMPARISON SCHEDULE
IMPACT TAX FUND
Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Sales and use taxes	\$ 6,154,617	6,154,617	827,253	(5,327,364)
Interest and investment income	<u>-</u>	<u>-</u>	<u>1,574</u>	<u>1,574</u>
Total revenues	<u>6,154,617</u>	<u>6,154,617</u>	<u>828,827</u>	<u>(5,325,790)</u>
Expenditures:				
Public safety	<u>5,950,917</u>	<u>5,950,917</u>	<u>459,387</u>	<u>5,491,530</u>
Total expenditures	<u>5,950,917</u>	<u>5,950,917</u>	<u>459,387</u>	<u>5,491,530</u>
Excess of revenues over expenditures	<u>203,700</u>	<u>203,700</u>	<u>369,440</u>	<u>165,740</u>
Net change in fund balance	<u>\$ 203,700</u>	<u>203,700</u>	<u>369,440</u>	<u>165,740</u>
Fund balance – beginning			<u>612,232</u>	
Fund balance – ending			<u>\$ 981,672</u>	

CARBON COUNTY, WYOMING
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PRIMARY GOVERNMENT

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<u>Public Employee Pension Plan:</u>									
Proportion of the net pension liability	0.2339769%	0.2348222%	0.2238960%	0.2193259%	0.2098257%	0.1974800%	0.2143900%	0.2274700%	0.2320300%
Proportionate share of the net pension liability	\$ 6,394,154	\$ 3,580,385	\$ 4,866,066	\$ 5,153,997	\$ 6,013,706	\$ 4,501,141	\$ 5,182,968	\$ 5,298,540	\$ 4,094,640
Covered employee payroll	\$ 4,224,529	\$ 4,273,595	\$ 3,986,395	\$ 3,812,351	\$ 3,439,152	\$ 3,497,087	\$ 3,607,953	\$ 3,638,970	\$ 3,785,290
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	151.36%	83.78%	122.07%	135.19%	174.86%	128.71%	143.65%	145.61%	108.17%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	76.40%	79.08%
<u>Law Enforcement Pension Plan:</u>									
Proportion of the net pension liability	1.4506496%	1.4764443%	1.4216053%	1.4799690%	1.4373031%	1.4831600%	1.3871200%	1.4121200%	1.3524000%
Proportionate share of the net pension liability	\$ 4,941,705	\$ 4,201,054	\$ 968,429	\$ 1,275,714	\$ 3,479,312	\$ 1,276,173	\$ 1,047,167	\$ 1,060,786	\$ 398,481
Covered employee payroll	\$ 2,341,426	\$ 2,452,835	\$ 2,285,080	\$ 2,306,553	\$ 2,365,619	\$ 2,324,244	\$ 2,361,149	\$ 2,316,847	\$ 2,386,939
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	211.06%	171.27%	42.38%	55.31%	147.08%	54.91%	44.35%	45.79%	16.69%
Plan fiduciary net position as a percentage of the total pension liability	70.30%	75.62%	91.82%	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%

CARBON COUNTY, WYOMING
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
COMPONENT UNITS

	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014
<u>Public Employee Pension Plan - Weed & Pest Control:</u>									
Proportion of the net pension liability	0.00879120%	0.00959300%	0.00955830%	0.00924750%	0.00843000%	0.00772000%	0.01043000%	0.00996000%	0.01072000%
Proportionate share of the net pension liability	\$ 240,247	146,263	207,736	217,309	256,669	176,019	252,258	231,903	\$ 189,237
Covered employee payroll	\$ 158,728	174,586	170,182	160,741	146,796	136,322	173,135	154,922	\$ 168,330
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	151.36%	83.78%	122.07%	135.19%	174.85%	129.12%	145.70%	149.69%	112.42%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	76.40%	79.08%
<u>Public Employee Pension Plan - County Library:</u>									
Proportion of the net pension liability	0.01533770%	0.01533720%	0.01499700%	0.01478540%	0.01506000%	0.01448000%	0.01758000%	0.02218000%	0.02285000%
Proportionate share of the net pension liability	\$ 419,151	233,850	325,939	347,446	458,356	329,994	424,883	513,574	\$ 403,312
Covered employee payroll	\$ 276,927	279,126	267,017	257,002	262,248	252,148	291,615	343,092	\$ 358,688
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	151.36%	83.78%	122.07%	135.19%	174.78%	130.87%	145.70%	149.69%	112.44%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	76.40%	79.08%

CARBON COUNTY, WYOMING
SCHEDULE OF CONTRIBUTIONS
PRIMARY GOVERNMENT

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
<u>Public Employee Pension Plan:</u>									
Contractually required contribution	\$ 937,334	828,043	851,899	712,326	668,973	580,081	595,673	603,915	\$ 626,646
Contributions in relation to the contractually required contribution	<u>937,334</u>	<u>828,043</u>	<u>851,899</u>	<u>712,326</u>	<u>668,973</u>	<u>580,081</u>	<u>595,673</u>	<u>603,915</u>	<u>626,646</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 5,034,017	4,447,062	4,701,429	4,042,713	3,925,898	3,490,259	3,584,073	3,633,664	\$ 3,948,620
Contributions as a percentage of covered employee payroll	18.62%	18.62%	18.12%	17.62%	17.04%	16.62%	16.62%	16.62%	15.87%
<u>Law Enforcement Pension Plan:</u>									
Contractually required contribution	\$ 506,690	452,940	467,165	433,530	406,887	402,196	388,163	377,322	\$ 410,554
Contributions in relation to the contractually required contribution	<u>506,690</u>	<u>452,940</u>	<u>467,165</u>	<u>433,530</u>	<u>406,887</u>	<u>402,196</u>	<u>388,163</u>	<u>377,322</u>	<u>410,554</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 2,945,872	2,633,372	2,716,076	2,520,523	2,365,622	2,338,349	2,256,762	2,193,733	\$ 2,386,942
Contributions as a percentage of covered employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

CARBON COUNTY, WYOMING
SCHEDULE OF CONTRIBUTIONS
COMPONENT UNITS

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
<u>Public Employee Pension Plan - Weed & Pest Control:</u>									
Contractually required contribution	\$ 31,147	31,312	31,909	30,305	26,553	20,986	26,894	28,644	\$ 17,071
Contributions in relation to the contractually required contribution	<u>31,147</u>	<u>31,312</u>	<u>31,909</u>	<u>30,305</u>	<u>26,553</u>	<u>20,986</u>	<u>26,894</u>	<u>28,644</u>	<u>17,071</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 167,277	168,163	176,098	171,992	156,286	126,270	161,817	172,347	\$ 107,568
Contributions as a percentage of covered employee payroll	18.62%	18.62%	18.12%	17.62%	16.99%	16.62%	16.62%	16.62%	15.87%
<u>Public Employee Pension Plan - County Library:</u>									
Contractually required contribution	\$ 54,585	51,867	49,165	45,693	45,535	40,657	39,369	66,236	\$ 63,115
Contributions in relation to the contractually required contribution	<u>54,585</u>	<u>51,867</u>	<u>49,165</u>	<u>45,693</u>	<u>45,535</u>	<u>40,657</u>	<u>39,369</u>	<u>66,236</u>	<u>63,115</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ <u>-</u>
Covered employee payroll	\$ 293,153	278,555	271,330	259,325	268,011	244,627	236,877	398,532	\$ 397,700
Contributions as a percentage of covered employee payroll	18.62%	18.62%	18.12%	17.62%	16.99%	16.62%	16.62%	16.62%	15.87%

CARBON COUNTY, WYOMING
SCHEDULE OF THE OPEB LIABILITY AS A PERCENTAGE OF COVERED PAYROLL

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total OPEB liability	\$ 1,401,927	3,084,321	3,042,089	2,734,562	\$ 2,774,956
Covered employee payroll	\$ 5,448,450	5,100,045	4,970,925	4,826,141	\$ 4,506,883
Total OPEB liability as a percentage of covered employee payroll	25.73%	60.48%	61.20%	56.66%	61.57%

NOTE: Only five years of information is currently available.

CARBON COUNTY, WYOMING
SCHEDULE OF CHANGES IN THE OPEB LIABILITY

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
OPEB liability balance, beginning	\$ 3,084,321	3,042,089	2,734,562	2,774,956	\$ 2,881,659
Service cost	145,146	154,961	150,447	108,498	113,978
Interest on the total OPEB liability	69,706	67,230	72,739	99,343	82,127
Difference between expected and actual experience	(1,661,037)	(468,527)	(95,033)	-	60,867
Changes of assumptions	(45,478)	608,645	306,737	(116,331)	(243,152)
Estimated benefit payments	(190,731)	(320,077)	(127,363)	(131,904)	(120,523)
OPEB liability balance, ending	<u>\$ 1,401,927</u>	<u>3,084,321</u>	<u>3,042,089</u>	<u>2,734,562</u>	<u>\$ 2,774,956</u>

NOTE: Only five years of information is currently available.

CARBON COUNTY, WYOMING
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

Note 1 – Budget Presentation

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

Note 2 – Budget Adoption and Monitoring and Compliance Related Matters

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

Note 3 – Schedules of the Proportionate Share of the Net Pension Liability and Contributions

Generally accepted accounting standards require the presentation of 10 years of the County's proportionate share of the net pension liability and the County's annual contributions. Transition provisions in the accounting standard indicate that information should be presented for as many years as are available. The County determined that it is not practicable to provide information prior to 2015.

Governmental and Single Audit Reports

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

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing No.	Contract Number	Expenditures
<u>U.S. Department of Agriculture (DOA)</u>			
<i>Passed through State Department of Agriculture</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	WIC 22-23	\$ 4,277
Cooperative Forestry Assistance - VOL Fire WY State, Forestry	10.664	Contract 218900	7,500
Schools and Roads - Grants to Counties	10.666	None	<u>335,796</u>
Total DOA			<u>347,573</u>
<u>U.S. Department Housing and Urban Development (HUD)</u>			
<i>Passed through Wyoming Department of Housing and Urban Development:</i>			
Housing Opportunities for Persons with AIDS	14.241	None	<u>53</u>
Total HUD			<u>53</u>
<u>U.S. Department of Justice (DOJ)</u>			
<i>Passed through Wyoming Department of Justice:</i>			
Violence Against Women Grant - Prosecutions	16.588	VAWA 22-23	17,403
Victims of Crime Act Grant	16.588	VOCA 22-23	<u>29,684</u>
Total DOJ			<u>47,087</u>
<u>Department of Transportation (DOT)</u>			
<i>Passed through Wyoming Department of Transportation:</i>			
Airport Improvement Program	20.106	ADW002A 21-23	155,525
Airport Improvement Program	20.106	Master Plan	32,739
<i>Highway Planning and Construction</i>			
CMAQ Air Quality Education & Outreach	20.205	CMAQ FY 22	248,400
CMAQ Air Quality Education & Outreach	20.205	CMAQ FY 21	<u>264,000</u>
Total DOT			<u>700,664</u>
<u>Department of Treasury (TREAS)</u>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	None	<u>860,947</u>
Total TREAS			<u>860,947</u>

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

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing No.	Contract Number	Expenditures
<u>Health and Human Services (HHS)</u>			
<i>Passed through Wyoming Department of Health:</i>			
Public Health Emergency Preparedness	93.069	None	103,337
Public Health Emergency Preparedness - County Health Officer		FY22-23	9,600
Substance Abuse and Mental Health Services Projects	93.243	None	44,761
Immunization Cooperative Agreements - Vaccine Support	93.268	None	18,638
Epidemiology and Laboratory Capacity - Surveillance	93.323	None	82,363
Public Health Emergency Response	93.354	2020-2024	765
National and State Tobacco Control Program	93.387	Prevention 2022-2024	25,958
HIV Care Formula Grant	93.917	None	1,095
Grants to Provide Outpatient Early Intervention Services - HIV	93.918	None	225
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Prevention 2020-2022	11,183
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Prevention 2022-2024	21,489
Assisted Outpatient Treatment	93.997	CDU/STI 2022-2023	31,271
Assisted Outpatient Treatment	93.997	CDU/STI 2022-2025	27,111
<i>Passed through Wyoming Department of Family Services:</i>			
Temporary Assistance for Needy Families	93.558	TANF DPS CPI 20-21	2,909
Temporary Assistance for Needy Families	93.558	TANF - Additional 2021	996
Temporary Assistance for Needy Families	93.558	TANF - 2022-2022	18,695
Temporary Assistance for Needy Families	93.558	TANF - MCH - 2022-2024	52,658
Total HHS			<u>453,054</u>
<u>Department of Homeland Security (DHS)</u>			
<i>Passed through Wyoming Office of Homeland Security:</i>			
Emergency Management Performance Grant	97.042	EMD-2022 & EMD-2021	92,702
Homeland Security Cluster:			
Homeland Security	97.067	EMW-2018 - 2022	<u>51,630</u>
Total DHS			<u>144,332</u>
Total Expenditures of Federal Awards			<u>\$ 2,553,710</u>

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

Note 1 – Purpose of the Schedule

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

Note 2 – Significant Accounting Policies

Basis of Accounting

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

Assistance Listing Numbers

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

Major Programs

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

Indirect Costs

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

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

To the Board of County Commissioners
Carbon County
Rawlins, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carbon County, Wyoming (the County) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 21, 2023. We did not audit the financial statements of the Memorial Hospital of Carbon County (a component unit of the County) (the Hospital). Our report includes an adverse opinion on the aggregate discretely presented component units due to the exclusion of the Hospital.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

A *significant deficiency* is a deficiency, or 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.

Report on Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

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



JONES SIMKINS LLC
Logan, Utah
December 21, 2023

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

To the Board of County Commissioners
Carbon County
Rawlins, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Carbon County, Wyoming's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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



JONES SIMKINS LLC

Logan, Utah

December 21, 2023

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

A. Summary of Auditor's Results:

Financial Statements

- | | |
|---|---------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| 2. Internal control over financial reporting: | |
| • Material weaknesses identified: | Yes – One |
| • Significant deficiencies identified: | None reported |
| 3. Non-compliance material to financial statements noted: | No |

Federal Awards

- | | |
|---|--|
| 4. Internal control over major federal programs: | |
| • Material weaknesses identified: | No |
| • Significant deficiencies identified: | No |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a): | None |
| 7. Identification of major federal programs: | |
| • Assistance Listing Number | #10.666 – Schools and Roads
– Grants to Counties
#21.027 – Coronavirus State
and Local Fiscal Recovery
Funds |
| 8. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 9. Auditee qualified as a low-risk auditee? | No |

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

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

Finding 2023-001

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

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

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

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

Recommendation: County management should implement procedures to ensure all material accounts are being regularly reconciled. County management should seek consulting from qualified sources on complex accounting matters. Key management personnel should continue to improve their understanding of financial reporting through continued professional education.

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

None

CARBON COUNTY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
(Client Submitted Document)
Year Ended June 30, 2023

Finding 2021-001

Status: County management continues to evaluate how to improve their financial reporting understanding.

Finding 2022-002

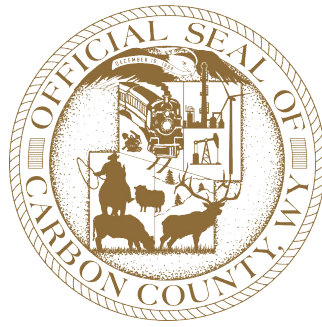
Status: The County has identified all fiduciary activities and segregated these activities from the County's funds.

Finding 2022-003

Status: The County has filed the required report.

BOARD OF CARBON COUNTY COMMISSIONERS

Sue Jones, Chairman
R. Travis Moore, Vice Chairman
John Espy
Garrett Irene
Willing "John" Johnson



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CARBON COUNTY CORRECTIVE ACTION PLAN (Client Submitted Document) Year Ended June 30, 2023

Carbon County respectfully submits the following corrective action plan for the year ended June 30, 2023. Inquiries regarding the following corrective action plan should be addressed to Gwynn Bartlett, County Clerk, or Lindsey West, County Treasurer.

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

Findings – Financial Statement Audit

Response to finding 2023-001

The County will consider ways and develop schedules throughout 2024 so that all material financial statement accounts are reconciled on a regular basis. The County will also continue to improve its ability to record transactions in accordance with Generally Accepted Accounting Principles and prepare accurate trial balances and schedules.