

JOHNSON COUNTY,  
WYOMING

**Financial and Compliance Report**

**June 30, 2022**





**JOHNSON COUNTY,  
WYOMING**

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***INDEPENDENT AUDITOR'S REPORT***

Board of County Commissioners  
Johnson County, Wyoming

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

***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 Johnson County, Wyoming, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Johnson County, Wyoming's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

***Emphasis of Matter - Change in Accounting Principle***

As discussed in Note 1 to the financial statements, Johnson County, Wyoming adopted new accounting guidance with the implementation of GASB Statement No. 87, *Leases*. Johnson County, Wyoming reported a lease asset and lease liability for the change in accounting principle. Our opinion is not modified with respect to that matter.

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

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



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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 Johnson County, Wyoming's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional 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 Johnson County, Wyoming's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Johnson County, Wyoming's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnson County, Wyoming's basic financial statements. The other supplementary information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principals, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023 on our consideration of Johnson County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Johnson County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnson County, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
March 31, 2023

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

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As management of Johnson County, Wyoming, we offer readers of Johnson County's financial statements this narrative overview and analysis of the financial activities of Johnson County for the fiscal year ended June 30, 2022.

***Financial Highlights***

The assets and deferred outflows of resources of Johnson County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$114,079,436 (net position). Of this amount, \$33,828,328 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The government's net position decreased by \$2,267,272.

As of the close of the current fiscal year, Johnson County's governmental funds reported combined ending fund balances of \$37,555,199 a decrease of \$2,989,123 in comparison with the prior year. Unassigned fund balance has a deficit balance of \$1,006,216, primarily due to changes in fair market value of investments.

At the end of the current fiscal year, unassigned fund balance for the general fund also showed a deficit balance of \$1,275,039 or approximately (10.80) percent of total general fund expenditures.

The County participates in the Public Employees' Pension Plan and the Law Enforcement Pension Plan, statewide cost-sharing multiple-employer public employee retirement plans administered by the State of Wyoming Retirement System. The County has reported a net pension liability of \$4,890,201 and \$3,591,632 as of June 30, 2022 and 2021, respectively. All plan components, including major components of participation, eligibility, investment strategy, benefits structure, contribution rates and plan administration are overseen by the Wyoming Retirements System.

***Overview of the Financial Statements***

This discussion and analysis are intended to serve as an introduction to Johnson County's basic financial statements. Johnson County's basic financial statements are comprised of four components: 1) government-wide financial statements, 2) fund financial statements, 3) combining statements of discretely presented component units, and 4) notes to the financial statements. This report also contains required and other supplementary, and compliance information in addition to the basic financial statements themselves.

***Government-wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of Johnson County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of Johnson County's assets, deferred outflows, liabilities, and deferred inflows, with the difference between these items reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Johnson County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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Both of the government-wide financial statements distinguish functions of Johnson County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (internal service activities). The governmental activities of Johnson County include general government, public safety, public works, health, welfare and recreation, and conservation of natural resources.

The government-wide financial statements include not only Johnson County itself, (known as the primary government), but also the following legally separate entities: Johnson County Weed and Pest Control District, Johnson County Fair, Johnson County Library, the Johnson County Museum, and the Johnson County Justice Center JPB. The Johnson County Justice Center JPB, although also legally separate, functions for all practical purposes as a special revenue fund of the County, and therefore has been included as an integral part of the primary government. The County is financially accountable for these entities and appoints representatives to their boards. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The component units do not issue separate financial statements.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Johnson County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All the funds of Johnson County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Johnson County maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, and the county road construction fund, each of which are considered to be major funds. Other governmental funds include various special revenue funds used to track the E-911 funding, and various state and federal grants.

Johnson County adopts an annual appropriated budget for all major funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds - Johnson County maintains one type of proprietary fund. Johnson County uses an internal service fund to account for its self-insurance of medical costs. Because this service benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide statements.

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

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Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Individual fund data for the internal service fund is provided as a separate statement in this report.

Fiduciary funds - Fiduciary funds (custodial funds) are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of the funds are not available to support Johnson County's own programs.

***Notes to the Financial Statements***

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

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Johnson County's budget for the general fund, as well schedules of changes in the net pension liability and related ratios and pension contributions. In addition other supplementary information is presented for combining schedules of nonmajor governmental funds and component units.

***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Johnson County's net position, 65% reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Johnson County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although Johnson County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

The County's net position for the governmental activities as of June 30, 2022 and 2021 was as follows:

	2022	2021	Variance
<b>ASSETS</b>			
Current assets	\$ 52,012,957	\$ 48,488,232	\$ 3,524,725
Capital assets net of accumulated depreciation	74,326,392	77,855,710	\$ (3,529,318)
Other assets	188,509	250,498	(61,989)
Total assets	<u>126,527,858</u>	<u>126,594,440</u>	<u>(66,582)</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>3,108,189</u>	<u>1,575,017</u>	<u>1,533,172</u>
<b>LIABILITIES</b>			
Current liabilities	408,306	408,089	217
Noncurrent liabilities	5,319,158	4,070,758	1,248,400
Total liabilities	<u>5,727,464</u>	<u>4,478,847</u>	<u>1,248,617</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
	<u>9,829,147</u>	<u>7,343,902</u>	<u>2,485,245</u>
<b>NET POSITION</b>			
Net investment in capital assets	74,322,697	77,849,765	(3,527,068)
Restricted	5,928,411	5,645,749	282,662
Unrestricted	33,828,328	32,851,194	977,134
Total net position	<u>\$ 114,079,436</u>	<u>\$ 116,346,708</u>	<u>\$ (2,267,272)</u>

An additional portion of Johnson County's net position (5.20%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$33,828,328, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Johnson County is able to report positive balances in all three categories of net position, for the government as a whole. The separate governmental funds show positive fund balances in nonspendable, restricted, committed, and assigned. The unassigned fund balance shows a deficit fund balance due primarily to changes in fair market value of investments.

The primary change in net position over the past several years relates to a decrease in the County's collection of property taxes due to two of the County's largest taxpayers being delinquent on their property taxes. The other factor that has impacted the County's net position this period was the change in the fair value of investments.

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

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

	2022	2021	Variance
Revenues			
Program Revenues			
Charges for services	\$ 890,842	\$ 815,779	\$ 75,063
Operating grants and contributions	3,235,332	5,225,010	(1,989,678)
Capital grants and contributions	8,485	47,000	(38,515)
General revenues			
Property taxes	5,075,454	2,272,270	2,803,184
Other taxes	5,743,055	5,110,720	632,335
Miscellaneous revenues	284,012	386,137	(102,125)
Investment income (loss)	(1,377,527)	80,745	(1,458,272)
Total revenues	<u>13,859,653</u>	<u>13,937,661</u>	<u>(78,008)</u>
Expenses			
General government	6,352,859	6,281,956	70,903
Public safety	3,677,782	3,119,906	557,876
Public works	4,776,732	3,652,334	1,124,398
Health, welfare and recreation	1,238,296	2,807,602	(1,569,306)
Conservation of natural resources	80,881	85,599	(4,718)
Interest on long-term debt	375	409	(34)
Total expenses	<u>16,126,925</u>	<u>15,947,806</u>	<u>179,119</u>
Change in net position	(2,267,272)	(2,010,145)	(257,127)
Net position - beginning of year, as previously stated	116,346,708	118,250,409	(1,903,701)
Prior period adjustment	-	106,444	(106,444)
Net position - beginning of year, as restated	<u>116,346,708</u>	<u>118,356,853</u>	<u>(2,010,145)</u>
Net position - end of year	<u>\$ 114,079,436</u>	<u>\$ 116,346,708</u>	<u>\$ (2,267,272)</u>

Property tax valuation decreased by approximately \$67.7 million due to the continued decrease in mineral production in the County which was a significant portion of the valuation. This resulted in an overall drop in property taxes of approximately \$4.01 million which includes the fiduciary funds.

The 4% and 1% sales tax collections increased by 18.32%. A special purpose tax was implemented in April 2019, with the first payment coming in June 2019 to be used for road repairs within the City of Buffalo. This tax will continue until the ballot amount of \$7,083,472 is reached.

General government expenses increased by \$70,903 due to a combination of capital outlay for computer hardware, and health insurance premiums. Public safety expenses increased by \$557,875 due to pension expense and justice center spending, public works expenses increased by \$1,124,398 primarily due to an increase in CMAQ spending and maintenance performed on county roads; and health, welfare and recreation expenses decreased by \$1,569,306, primarily due decreased expenditures of 1% optional tax funds.

The interest on investment earnings decreased by \$1,458,272 which is primarily due to declining interest rates as a result of the pandemic and turmoil of the economy, also partially due to the implementation of non-callable certificate of deposits, the market value of the portfolio has stayed much more stable.

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

The component units of the County (the Weed and Pest Control District, the County Library, the County Fair, and the County Museum) reported combined net position of \$14,237,831, an increase of \$2,011,605 compared to the prior year. This change is primarily due to an increase in charges for services at certain component units and rebound of activity from COVID-19 shutdowns. These component units do not issue separate financial statements.

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

As noted earlier, Johnson County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus on Johnson County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Johnson County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Johnson County's governmental funds reported combined ending fund balances of \$37,555,199, a decrease of \$2,989,123 in comparison with the prior year.

The general fund is the chief operating fund of Johnson County. At the end of the current fiscal year, unassigned fund balance of the general fund showed a deficit of \$1,275,039 while total fund balance decreased to \$31,262,910. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance has a deficit primarily due to changes in the fair market value of investments and represents (10.80) percent of total general fund expenditures.

The fund balance of Johnson County's general fund decreased by \$3,059,321 during the current fiscal year. The following schedule presents revenues and expenditures of the general fund:

	2022	2021	Variance
Revenues			
Property taxes	\$ 1,930,764	\$ 2,339,474	\$ (408,710)
Intergovernmental revenues	7,074,709	7,094,826	(20,117)
Charges for services	890,842	815,778	75,064
Investment income (loss)	(1,396,116)	41,024	(1,437,140)
Miscellaneous revenues	283,232	384,887	(101,655)
Total revenues	<u>\$ 8,783,431</u>	<u>\$ 10,675,989</u>	<u>\$ (1,892,558)</u>
Expenditures			
Current			
General government	\$ 5,456,739	\$ 4,960,303	\$ 496,436
Public safety	2,693,581	2,745,937	(52,356)
Public works	1,577,744	2,039,738	(461,994)
Health, welfare and recreation	1,091,091	991,042	100,049
Conservation of natural resources	81,562	80,369	1,193
Capital outlay	904,407	653,711	250,696
Debt service			
Principal	2,250	3,370	(1,120)
Interest	375	409	(34)
Total expenditures	<u>\$ 11,807,749</u>	<u>\$ 11,474,879</u>	<u>\$ 332,870</u>

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

Taxes decreased \$408,710 primarily due to decreases in property tax valuations. Investment earnings decreased by \$1,437,140 due to overall decrease in the fair market value of investments, primarily bonds, held by the County.

General government expenditures increased \$496,436 due to a combination of capital outlay for computer hardware, and health insurance premiums. Public works expenditures decreased \$461,992. Health, welfare and recreation expenditures increased \$100,049. Capital outlay increased \$250,694, with projects focused on public works projects for overlays on roads, purchases of vehicles for sheriff and emergency management, projects on the old courthouse, and generator installation and sewer line replacement at Harold Jarrard park.

The County road construction fund reported fund balance of \$5,175,402, which is restricted by state statutes for construction and maintenance of roads. The fund balance increased \$21,359 in the current year as the County has not used this fund for many road projects.

**General Fund Budgetary Highlights**

During the year, the County amended the general government, public safety, and the health, welfare, and recreation budgets to increase expenditures. The difference between the original fiscal year 2021-2022 budget for the General Fund and the final amended budget amounted to an increase of \$131,502 primarily due to a need to correct deficit budgets at the end of the fiscal year.

**Capital Asset and Debt Administration**
**Capital Assets**

Johnson County's cost in capital assets for its governmental type activities as of June 30, 2022, amounts to \$74,326,392. This cost in capital assets included land, buildings, machinery and equipment, infrastructures, and roads.

	2022	2021	Variance
Land and other nondepreciable assets	\$ 4,247,718	\$ 4,247,718	\$ -
Construction in progress	31,565	246,151	(214,586)
Buildings	27,303,320	27,269,844	33,476
Improvements other than buildings	46,908,831	46,839,367	69,464
Machinery and equipment	10,480,587	10,320,283	160,304
Infrastructure	38,850,906	37,995,157	855,749
Less accumulated depreciation	(53,496,535)	(49,062,810)	(4,433,725)
Total	<u>\$ 74,326,392</u>	<u>\$ 77,855,710</u>	<u>\$ (3,529,318)</u>

The government's capital assets decreased by \$3,529,318 during the current fiscal year, or 4.5 percent, primarily due to depreciation outpacing additions. Johnson County uses a straight line method of depreciation on its capital assets for items over \$5,000, with a useful life of more than two years.

Additional information on Johnson County's capital assets can be found in Note 6 of this report.

Major capital asset expenditures during the current fiscal year included public works projects for overlays on roads, purchases of vehicles for sheriff and emergency management, projects on the old courthouse, and generator installation and sewer line replacement at Harold Jarrard Park.

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

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***Debt Administration***

The County's total debt increased by \$1,248,400 during the current fiscal year. The changes reflect payments on the lease purchase obligations of \$2,250, addition of \$7,081 in compensated absences, a decrease of \$55,000 in incurred but not reported claims, and an increase of \$1,298,569 in the net pension liability.

The County has recorded its proportional share of the State of Wyoming Retirement System plan's net pension obligation, the statewide cost-sharing multiple-employer public employee retirement plan and the law enforcement retirement plan. This resulted in recording a net pension liability of \$4,890,201 and \$3,591,632 as of June 30, 2022 and 2021, respectively.

Additional information on the County's long-term debt can be found in Note 7 of this report.

***Economic Factors and Next Year's Budget***

The downturn in mineral valuation continues to have a huge impact on the valuation, which will impact the budget going forward. The County has incurred a sizeable increase in fixed costs over the last few years which is going to make it more difficult to provide funding. With the current inflation costs of supplies, materials & fuel, mixed with a continued downturn of mineral valuation the county is feeling a definite impact on budgets. The County continues to pursue delinquent mineral companies through the legal system, which has impacted budgets due to the lack of anticipated revenue that they are not paying. Johnson County has seen an increase in home sales, and new builds which we hope will help our sales tax numbers as well as our valuation to stay consistent or slightly above the numbers that they were last year.

***Requests for Information***

The financial report is designed to provide a general overview of Johnson County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Clerk, 76 North Main, Buffalo, Wyoming, 82834.



**FINANCIAL  
STATEMENTS**

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**Statement of Net Position**

	Primary Government		Component Units
	Governmental Activities	Total	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,246,497	\$ 16,246,497	\$ 4,493,066
Investments	26,022,455	26,022,455	2,254,085
Receivables, net of allowance	7,088,622	7,088,622	3,308,298
Due from fiduciary fund	-	-	131,481
Due from other governments	1,928,267	1,928,267	-
Due from component units	13,878	13,878	-
Prepaid items	144,741	144,741	-
Notes receivable - current	68,990	68,990	-
Leases receivable	73,637	73,637	-
Inventories	425,870	425,870	91,383
Restricted assets			
Cash and cash equivalents	-	-	8,691
Investments, restricted by donors	-	-	1,460,892
Notes receivable - noncurrent	188,509	188,509	-
Capital assets not being depreciated	4,279,283	4,279,283	166,146
Capital assets being depreciated, net of accumulated depreciation	70,047,109	70,047,109	5,135,447
Total assets	<u>126,527,858</u>	<u>126,527,858</u>	<u>17,049,489</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	<u>3,108,189</u>	<u>3,108,189</u>	<u>145,550</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	408,306	408,306	241,821
Due to the primary government	-	-	13,878
Grant funding received in advance	-	-	110,000
Noncurrent liabilities			
Due within one year	26,498	26,498	1,875
Due in more than one year	5,292,660	5,292,660	533,499
Total liabilities	<u>5,727,464</u>	<u>5,727,464</u>	<u>901,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax	3,916,611	3,916,611	1,543,343
Lease revenue applicable to future years	2,805,384	2,805,384	-
Pension plan items	3,107,152	3,107,152	503,582
Total deferred inflows of resources	<u>9,829,147</u>	<u>9,829,147</u>	<u>2,046,925</u>
<b>NET POSITION</b>			
Net investment in capital assets	74,322,697	74,322,697	5,294,363
Restricted for			
Highways and streets (WS 24-2-110)	5,175,402	5,175,402	-
Special revenue funds (by granting agencies)	389,294	389,294	-
Special revenue funds (by voters)	2,122	2,122	-
Special revenue funds (E-911)	361,593	361,593	-
Permanent endowment (nonexpendable)	-	-	1,469,583
Unrestricted	33,828,328	33,828,328	7,483,095
Total net position	<u>\$ 114,079,436</u>	<u>\$ 114,079,436</u>	<u>\$ 14,247,041</u>

Johnson County, Wyoming  
 Year ended June 30, 2022  
**Statement of Activities**

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 6,352,859	\$ 294,578	\$ 1,997,203	\$ -
Public safety	3,677,782	6,526	173,940	-
Public works	4,776,732	345,884	408,100	-
Health, welfare and recreation	1,238,296	203,177	656,089	8,485
Conservation of natural resources	80,881	40,677	-	-
Interest on long-term debt	375	-	-	-
Total governmental activities	<u>16,126,925</u>	<u>890,842</u>	<u>3,235,332</u>	<u>8,485</u>
Total primary government	<u>\$ 16,126,925</u>	<u>\$ 890,842</u>	<u>\$ 3,235,332</u>	<u>\$ 8,485</u>
Component units	<u>\$ 2,978,313</u>	<u>\$ 710,069</u>	<u>\$ 631,457</u>	<u>\$ -</u>
General revenues				
Property taxes				
Sales taxes				
Motor vehicle fees				
Gasoline tax				
Severance tax				
Other taxes				
Payment in lieu of taxes				
Miscellaneous revenues				
Investment income (loss)				
Total general revenues				
Change in net position				
Net position - beginning of year				
Net position - end of year				

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Primary Government</u>		
<u>Governmental Activities</u>	<u>Total</u>	<u>Component Units</u>
\$ (4,061,078)	\$ (4,061,078)	\$ -
(3,497,316)	(3,497,316)	-
(4,022,748)	(4,022,748)	-
(370,545)	(370,545)	-
(40,204)	(40,204)	-
(375)	(375)	-
<u>(11,992,266)</u>	<u>(11,992,266)</u>	<u>-</u>
<u>(11,992,266)</u>	<u>(11,992,266)</u>	<u>-</u>
-	-	(1,636,787)
5,075,454	5,075,454	3,141,679
2,734,478	2,734,478	-
359,636	359,636	218,276
1,014,819	1,014,819	-
285,902	285,902	-
134,152	134,152	-
1,214,068	1,214,068	-
284,012	284,012	64,467
<u>(1,377,527)</u>	<u>(1,377,527)</u>	<u>233,180</u>
<u>9,724,994</u>	<u>9,724,994</u>	<u>3,657,602</u>
<u>(2,267,272)</u>	<u>(2,267,272)</u>	<u>2,020,815</u>
<u>116,346,708</u>	<u>116,346,708</u>	<u>12,226,226</u>
<u>\$ 114,079,436</u>	<u>\$ 114,079,436</u>	<u>\$ 14,247,041</u>

**Balance Sheet - Governmental Funds**

	General Fund	County Road Construction Fund	Other Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,234,952	\$ 4,590,966	\$ 1,093,452
Investments	23,895,637	546,192	-
Receivables	53,090	-	4,870
Property taxes receivable, net of allowance	7,030,662	-	-
Due from other funds	5,941	12,852	-
Due from other governments	1,862,218	25,392	40,657
Due from component units	13,878	-	-
Prepaid items	144,741	-	-
Notes receivable - current	68,990	-	-
Leases receivable	73,637	-	-
Inventories	425,870	-	-
Notes receivable - noncurrent	188,509	-	-
Total assets	<u>\$ 42,998,125</u>	<u>\$ 5,175,402</u>	<u>\$ 1,138,979</u>
<b>LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable and other current liabilities	\$ 341,783	\$ -	\$ 16,151
Due to other funds	12,852	-	5,941
Total liabilities	<u>354,635</u>	<u>-</u>	<u>22,092</u>
Deferred inflows of resources			
Unavailable property tax revenue	7,328,283	-	-
Lease revenue applicable to future years	2,805,384	-	-
Unavailable grant revenue	1,246,913	-	-
Total deferred inflows of resources	<u>11,380,580</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	759,120	-	-
Restricted	-	5,175,402	753,009
Committed	4,169,631	-	95,055
Assigned	27,609,198	-	-
Unassigned (deficit)	(1,275,039)	-	268,823
Total fund balances	<u>31,262,910</u>	<u>5,175,402</u>	<u>1,116,887</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 42,998,125</u>	<u>\$ 5,175,402</u>	<u>\$ 1,138,979</u>

Total  
Governmental  
Funds

---

\$ 14,919,370  
24,441,829  
57,960  
7,030,662  
18,793  
1,928,267  
13,878  
144,741  
68,990  
73,637  
425,870  
188,509  

---

\$ 49,312,506

\$ 357,934  
18,793  

---

376,727

7,328,283  
2,805,384  
1,246,913  

---

11,380,580

759,120  
5,928,411  
4,264,686  
27,609,198  
(1,006,216)  

---

37,555,199

\$ 49,312,506

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

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

Total fund balances - governmental funds		\$ 37,555,199
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore are not reported in the governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total of capital assets reported in the government-wide statements.		74,326,392
Since the focus of governmental fund statements is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by deferred revenue in the governmental funds and are not included in the governmental fund balances.		
Difference in unavailable revenue - property taxes	\$ 3,411,672	
Difference in unavailable revenue - grant revenue	1,246,913	
Deferred outflows - pension plan items	3,108,189	
Deferred inflows - pension plan items	<u>(3,107,152)</u>	4,659,622
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds.		
Compensated absences	(415,262)	
Lease purchase obligations	(3,695)	
Net pension liability	<u>(4,890,201)</u>	(5,309,158)
An internal service fund is used by the County's management to charge cost of medical insurance to individual funds. It is reported as a proprietary fund. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.		<u>2,847,381</u>
Total net position - governmental activities		<u><u>\$ 114,079,436</u></u>

Johnson County, Wyoming

Year Ended June 30, 2022

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

	General Fund	County Road Construction Fund	Other Governmental Funds
<b>Revenues</b>			
Property taxes	\$ 1,930,764	\$ -	\$ -
Intergovernmental revenues	7,074,709	496,090	640,626
Charges for services	890,842	-	-
Investment income (loss)	(1,396,116)	17,056	55
Miscellaneous revenues	283,232	-	780
Total revenues	<u>8,783,431</u>	<u>513,146</u>	<u>641,461</u>
<b>Expenditures</b>			
Current			
General government	5,456,739	-	-
Public safety	2,693,581	-	147,382
Public works	1,577,744	491,787	-
Health, welfare and recreation	1,091,091	-	480,243
Conservation of natural resources	81,562	-	-
Capital outlay	904,407	-	-
Debt service			
Principal	2,250	-	-
Interest	375	-	-
Total expenditures	<u>11,807,749</u>	<u>491,787</u>	<u>627,625</u>
Excess (deficiency) of revenues over expenditures	<u>(3,024,318)</u>	<u>21,359</u>	<u>13,836</u>
<b>Other financing sources (uses)</b>			
Transfers in	88,411	-	63,933
Transfers out	(123,414)	-	(28,930)
Total other financing sources (uses)	<u>(35,003)</u>	<u>-</u>	<u>35,003</u>
Net change in fund balances	(3,059,321)	21,359	48,839
Fund balances - beginning of year	<u>34,322,231</u>	<u>5,154,043</u>	<u>1,068,048</u>
Fund balances - end of year	<u>\$ 31,262,910</u>	<u>\$ 5,175,402</u>	<u>\$ 1,116,887</u>

Total  
Governmental  
Funds

\$	1,930,764
	8,211,425
	890,842
	(1,379,005)
	284,012
	<u>9,938,038</u>

5,456,739
2,840,963
2,069,531
1,571,334
81,562
904,407

2,250
375

<u>12,927,161</u>
-------------------

<u>(2,989,123)</u>
--------------------

152,344
<u>(152,344)</u>

-
---

<u>(2,989,123)</u>
--------------------

<u>40,544,322</u>
-------------------

\$	<u><u>37,555,199</u></u>
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Johnson County, Wyoming

Year Ended June 30, 2022

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

---

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

Net change in fund balances - total governmental funds \$ (2,989,123)

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

Capital outlay	\$ 904,407	
Depreciation expense	<u>(4,433,725)</u>	(3,529,318)

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

Difference in unavailable property tax revenue - prior year	(266,982)	
Difference in unavailable property tax revenue - current year	3,411,672	
Difference in unavailable grant revenue - prior year	(471,466)	
Difference in unavailable grant revenue - current year	<u>1,246,913</u>	3,920,137

Pension expenses reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditures in the governmental funds.

Deferred inflows - pension plan items, current year	(3,107,152)	
Deferred inflows - pension plan items, prior year	2,619,857	
Deferred outflows - pension plan items, current year	3,108,189	
Deferred outflows - pension plan items, prior year	<u>(1,575,017)</u>	1,045,877

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the government-wide changes in net position. This is the net effect of these differences in the treatment of long term debt.

Increase in compensated absences	(7,081)	
Principal paid on lease purchase liability	2,250	
Increase in net pension liability	<u>(1,298,569)</u>	(1,303,400)

(Continued)

Johnson County, Wyoming  
Year Ended June 30, 2022

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds to the Statement of Activities (Continued)**

---

An internal service fund is used by management to charge the costs of medical insurance to individual funds. The net revenue of the activities of the internal service fund is reported with the governmental activities.

Charges for services	\$ 2,245,285	
Insurance costs	(1,658,209)	
Interest income	<u>1,479</u>	<u>588,555</u>
Change in net position of governmental activities		<u>\$ (2,267,272)</u>

Johnson County, Wyoming

June 30, 2022

**Statement of Net Position - Proprietary Fund**

---

	Governmental Activity Internal Service Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,327,127
Investments	1,580,626
Total assets	<u>2,907,753</u>
<b>LIABILITIES</b>	
Current Liabilities	
Claims payable	44,141
Incurred but not reported claims	10,000
Funds held for employees - flexible spending account	6,231
Total liabilities	<u>60,372</u>
<b>NET POSITION</b>	
Unrestricted	2,847,381
Total net position	<u>\$ 2,847,381</u>

Johnson County, Wyoming

Year Ended June 30, 2022

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

---

	Governmental Activity Internal Service Fund
Operating revenues	
Charges for services	<u>\$ 2,245,285</u>
Operating expenses	
Premiums	656,475
Claims	994,515
Fees	7,219
Total operating expenses	<u>1,658,209</u>
Operating income	<u>587,076</u>
Nonoperating revenues	
Interest income	<u>1,479</u>
Change in net position	588,555
Net position - beginning of year	<u>2,258,826</u>
Net position - end of year	<u><u>\$ 2,847,381</u></u>

Johnson County, Wyoming

Year Ended June 30, 2022

**Statement of Cash Flows - Proprietary Fund**

	Governmental Activity Internal Service Fund
Cash flows from operating activities	
Cash receipts for interfund services provided	\$ 2,516,568
Cash receipts from others for premiums	228,742
Cash payments for stop loss premiums	(500,025)
Cash payments to third party administrator for medical costs	(1,702,491)
Net cash provided by operating activities	<u>542,794</u>
Cash flows from investing activities	
Purchase of investments	(1,240)
Interest on investments	1,479
Net cash provided by investing activities	<u>239</u>
Net increase in cash and cash equivalents	<u>543,033</u>
Cash and cash equivalents - beginning of year	<u>784,094</u>
Cash and cash equivalents - end of year	<u><u>\$ 1,327,127</u></u>
Reconciliation of operating income to net cash used in operating activities	
Operating income	\$ 587,076
Adjustments to reconcile operating income to net cash used in operating activities	
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities	
Claims payable	10,404
Incurred but not reported claims	(55,000)
Funds held for employees - flexible spending account	314
Net cash provided by operating activities	<u><u>\$ 542,794</u></u>

Johnson County, Wyoming  
June 30, 2022  
**Statement of Fiduciary Net Position**

---

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,795,674
Property taxes receivable, net of allowance	<u>21,390,363</u>
Total assets	<u>23,186,037</u>
<b>LIABILITIES</b>	
Due to component units	131,481
Due to other governments	<u>1,623,359</u>
Total liabilities	<u>1,754,840</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Unavailable property tax revenue	<u>21,390,363</u>
Total deferred inflow of resources	<u>21,390,363</u>
<b>NET POSITION</b>	
Restricted	
Individuals, organizations, and other governments	<u><u>\$ 40,834</u></u>

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**Statement of Changes in Fiduciary Net Position**

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Amounts received from inmates	\$ 93,543
Child support collections	510,950
Bond and judgement collections	253,474
Collections of taxes and fees for other governments	<u>22,959,197</u>
Total additions	<u>23,817,164</u>
<b>DEDUCTIONS</b>	
Inmate payments for goods, services, and distributions	115,131
Child support distributions	510,950
Bond and judgement disbursements	256,474
Payments of taxes and fees to other governments and organizations	<u>22,959,197</u>
Total deductions	<u>23,841,752</u>
Net decrease in fiduciary net position	(24,588)
Net position, beginning of year	<u>65,422</u>
Net position, end of year	<u><u>\$ 40,834</u></u>

**Combining Statement of Net Position - Discretely Presented Component Units**

	Johnson County Fair	Johnson County Library	Johnson County Museum
<b>ASSETS</b>			
Cash and cash equivalents	\$ 294,758	\$ 819,624	\$ 273,679
Investments	350,000	658,216	1,245,869
Receivables	6,428	-	5,115
Due from fiduciary fund	29,193	37,326	16,433
Inventories	-	-	40,789
Property taxes receivable, net of allowance	584,196	913,218	354,703
Restricted assets			
Cash and cash equivalents	-	8,691	-
Investments, restricted by donors	-	1,460,892	-
Capital assets not being depreciated	64,455	84,565	-
Capital assets being depreciated, net of accumulated depreciation	1,342,466	3,557,825	147,929
Total assets	<u>2,671,496</u>	<u>7,540,357</u>	<u>2,084,517</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	<u>15,124</u>	<u>63,412</u>	<u>36,807</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	19,976	9,233	-
Due to primary government	-	13,878	-
Grant funding received in advance	-	-	-
Noncurrent liabilities			
Due within one year	-	1,875	-
Due in more than one year	41,863	233,034	111,591
Total liabilities	<u>61,839</u>	<u>258,020</u>	<u>111,591</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	292,700	325,590	185,917
Pension plan items	72,084	259,353	96,205
Total deferred inflows of resources	<u>364,784</u>	<u>584,943</u>	<u>282,122</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,406,921	3,635,160	147,929
Restricted for			
Permanent endowment (nonexpendable)	-	1,469,583	-
Unrestricted	853,076	1,656,063	1,579,682
Total net position	<u>\$ 2,259,997</u>	<u>\$ 6,760,806</u>	<u>\$ 1,727,611</u>

Johnson County			
Weed and			
Pest Control		Total	
<hr/>		<hr/>	
\$	3,105,005	\$	4,493,066
	-		2,254,085
	9,360		20,903
	48,529		131,481
	50,594		91,383
	1,435,278		3,287,395
	-		8,691
	-		1,460,892
	17,126		166,146
	<hr/>		<hr/>
	87,227		5,135,447
	<hr/>		<hr/>
	4,753,119		17,049,489
	<hr/>		<hr/>
	30,207		145,550
	<hr/>		<hr/>
	212,612		241,821
	-		13,878
	110,000		110,000
	-		1,875
	<hr/>		<hr/>
	147,011		533,499
	<hr/>		<hr/>
	469,623		901,073
	<hr/>		<hr/>
	739,136		1,543,343
	<hr/>		<hr/>
	75,940		503,582
	<hr/>		<hr/>
	815,076		2,046,925
	<hr/>		<hr/>
	104,353		5,294,363
	-		1,469,583
	<hr/>		<hr/>
	3,394,274		7,483,095
	<hr/>		<hr/>
\$	3,498,627	\$	14,247,041
	<hr/>		<hr/>

**Combining Statement of Activities - Discretely Presented Component Units**

Component units	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Johnson County Fair	\$ 503,590	\$ 164,579	\$ 134,289	\$ -
Johnson County Library	614,748	7,135	30,019	-
Johnson County Museum	382,636	98,149	124,420	-
Weed and Pest Control	1,477,339	440,206	342,729	-
Total component units	<u>\$ 2,978,313</u>	<u>\$ 710,069</u>	<u>\$ 631,457</u>	<u>\$ -</u>
General revenues				
Property taxes				
Motor vehicle fees				
Miscellaneous				
Investment income (loss)				
Total general revenues				
Change in net position				
Net position - beginning of year				
Net position - end of year				

Net (Expense) Revenue and Changes in Net Position

Johnson County Fair	Johnson County Library	Johnson County Museum	Weed and Pest Control	Total
\$ (204,722)	\$ -	\$ -	\$ -	\$ (204,722)
-	(577,594)	-	-	(577,594)
-	-	(160,067)	-	(160,067)
-	-	-	(694,404)	(694,404)
<u>(204,722)</u>	<u>(577,594)</u>	<u>(160,067)</u>	<u>(694,404)</u>	<u>(1,636,787)</u>
605,361	1,014,887	334,101	1,187,330	3,141,679
42,000	62,890	28,719	84,667	218,276
858	59,919	1,324	2,366	64,467
48	(26,855)	235,715	24,272	233,180
<u>648,267</u>	<u>1,110,841</u>	<u>599,859</u>	<u>1,298,635</u>	<u>3,657,602</u>
443,545	533,247	439,792	604,231	2,020,815
<u>1,816,452</u>	<u>6,227,559</u>	<u>1,287,819</u>	<u>2,894,396</u>	<u>12,226,226</u>
<u>\$ 2,259,997</u>	<u>\$ 6,760,806</u>	<u>\$ 1,727,611</u>	<u>\$ 3,498,627</u>	<u>\$ 14,247,041</u>

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**Note 1. The Reporting Entity and Significant Accounting Policies**

***The Reporting Entity***

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

***Discretely Presented Component Units***

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

The Johnson County Fair ("County Fair" or "Fair") maintains and manages the operations of the County Fair and conducts agricultural, industrial, and other fairs and exhibitions within the County. The County Fair Board is fiscally dependent upon the County because the Board of Commissioners approves the Fair's budget, levies taxes (if necessary), and must approve any debt issuances. The Fair's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The County Fair's financial statements include the financial data of the Fair Foundation, a fund-raising foundation. Although the Fair does not control the timing or amount of receipts from the Fair Foundation, the majority of resources, or income thereon, which the Fair Foundation holds and invests, is restricted to the activities of the Fair by the donors. Because these restricted resources held by the Fair Foundation can only be used by, or for the benefit of, the Fair, the Fair Foundation is considered a component unit of the Fair and is included in the Fair's financial statements. The County Fair Board and Fair Foundation do not issue separate financial statements.

The Johnson County Library ("County Library" or "Library") maintains and manages the operations of the County Library and library system. The County Library Board is fiscally dependent upon the County because the Board of Commissioners approves the Library's budget, levies taxes (if necessary), and must approve any debt issuances. 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 County Library's financial statements include the financial data of the Library Foundation, a fund-raising foundation. Although the Library does not control the timing or amount of receipts from the Library Foundation, the majority of resources, or income thereon, which the foundation holds and invests, is restricted to the activities of the Library by the donors. Because these restricted resources held by the Library Foundation can only be used by, or for the benefit of, the Library, the Library Foundation is considered a component unit of the Library and is included in the Library's financial statements. The County Library Board and the Library Foundation do not issue separate financial statements.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Discretely Presented Component Units (Continued)***

The Johnson County Museum ("County Museum" or "Museum") maintains and manages the operations of the County Museum and museum system. The Museum Board 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 is presented as a governmental fund type component unit. The County Museum Board's financial statements include the financial data of the Museum's fund-raising association, the Gatchell Museum Association ("Association"). Although the Museum Board does not control the timing or amount of receipts from the Association, the majority of resources, or income thereon, which the association holds or invests, is restricted to the activities of the Museum by the donors. Because the restricted resources held by the Association can only be used by, or for the benefit of, the Museum, the Association is considered a component unit of the Museum and is included in the Museum's financial statements. The Association operates on a calendar year and the results of its operations have not been restated to conform to the County's year end. The County Museum Board and the Association do not issue separate financial statements.

The Weed and Pest Control District ("Weed and Pest Control" or "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 levies taxes (if necessary) on behalf of the District. The Weed and Pest Control District does not issue separate financial statements.

***Blended Component Unit***

The Johnson County Justice Center Joint Power Board ("Board") manages and maintains the Joint Justice Center Building. The Joint Justice Center Building is 82% owned and funded by the County and 18% owned and funded by the City of Buffalo, Wyoming ("City). Under this agreement, the cost of operations for the dispatch center are funded fully by the City and operations of the detention center are funded fully by the County. The County and City are responsible for the salaries of their respective employees. The operational expenses are split between the City and the County. Based on these activities, the Board is fiscally dependent upon the County. The Board is comprised of two County Commissioners and two City Council representatives and one at-large member. The Johnson County Justice Center Joint Powers Board is reported as a special revenue fund of the County.

***Related Organization***

The Johnson County Solid Waste District (the "District") is a related organization to which the County appoints the board members. The District is not a component unit of the County. The County cannot impose its will on the District and has no significant financial responsibility for the District. All transactions with the District are conducted in the ordinary course of business. The District does participate in the County's health insurance plan and paid premiums of \$50,820 during the fiscal year.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Government-wide and Fund Financial Statements***

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, are normally supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

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

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

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

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

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

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

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish *operating revenues* and *expenses* from *nonoperating items*. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's internal service fund is charges to other funds for insurance premiums. Operating expenses for the internal service fund include the cost of claims net of reinsurance reimbursements, premiums and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The government reports the following major governmental funds:

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

The *county road construction fund* is a capital project fund and is used to account for the acquisition and construction of roads.

Additionally, the government reports the following fund types:

The *special revenue* funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The *internal service* fund accounts for the self-funded medical insurance provided to the County employees and other governments on a cost reimbursement basis and administered by a third party provider.

Fiduciary funds are used to account for assets held by the County in trustee capacity or as an agent for individuals, private organizations, and other governmental entities. The County's fiduciary funds include:

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

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

***Cash, Cash Equivalents and Restricted Cash***

For purposes of the statements of cash flows, the County's proprietary fund considers all demand deposits and highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents. The County's cash activity is accounted for in pooled cash accounts. The accounting records for each applicable fund reflect its portion of the pooled cash and/or investment, and any separate unpooled bank accounts. When a particular fund overdraws its share of the pooled cash, the deficit is recorded as a payable to the general fund and a corresponding entry is made in the general fund to reflect the receivable from the other fund. The County considers any cash that is legally restricted as to withdrawal or usage to be presented as restricted cash.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Cash, Cash Equivalents and Restricted Cash (Continued)***

The County's cash accounts consist of demand deposits and a money market account at WYO-STAR I. The County has two accounts with WYO-STAR I; the County only considers one of the accounts with WYO-STAR I to be cash equivalents due to the County's ability and intent to withdraw the monies at any time. WYO-STAR I is an authorized government investment pool established in 1987 offered exclusively to Wyoming governmental entities by the Wyoming State Treasurer's Office. The value of the County's investments in WYO-STAR I equals the value of the WYO-STAR I shares. Each participant's position in the WYO-STAR I investment pool is calculated by the proportion of the cost of their contribution to the total funds invested in the pool multiplied by the pool's total fair value as of any specific date. WYO-STAR I investments consist of short-term bonds and cash with a weighted average maturity which does not exceed 90 days, with a benchmark using Bank of America 3 month U.S. T-Bills index. The fair value of the County's position in these funds is the same as the value of the pool shares (net asset value) which are reported according to GASB 79 requirements. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period.

***Investments and Restricted Investments***

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

The County's investments consist of certificates of deposit valued at amortized cost, U.S. Treasury obligations, government sponsored enterprise securities (GSEs) including mortgage backed securities, participation in WYO-STAR I, and participation in the Wyoming Cooperative Liquid Asset Securities System (Wyoming CLASS). The Wyoming CLASS portfolio invests in U.S. Treasury securities, federal instrumentality securities, agency securities, repurchase agreements and triparty repurchase agreements, collateralized bank deposits commercial paper that, at the time of purchase, is rated in its highest rating category by one or more nationally recognized statistical rating organizations that regularly rate such obligations, and government money market funds. The value of the County's investment in Wyoming CLASS equals the value of its Wyoming CLASS shares.

Investments held in governmental investment pools have no withdrawal restrictions.

The component units' investments are comprised of mutual funds and other exchange traded products, stocks, and certificates of deposit. Additionally the Fair participates in Wyoming CLASS.

Mutual funds, corporate bonds, and common stocks may be held by the Library Foundation and the Gatchell Museum Association. These component units are 501(c)3 organizations they are not subject to the state statutes which restrict investments to governmental securities. The component units do not have their own investment policies. The component units have cash, cash equivalents and investments restricted by donors.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Receivables***

Receivables are expressed net of allowances for doubtful accounts. Allowances for doubtful accounts are based on historical collection trends for the related receivables. The general fund and custodial fund have established an allowance for property taxes of \$160,002 and \$1,523,825, respectively.

Long-term portions of receivables in the governmental fund financial statements are reported and then offset by non-spendable fund balance reserve accounts in order to indicate that they are not available for spendable resources.

***Lease Receivable***

For non-cancellable leases that the County is a lessor, the County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

The County monitor's changes in circumstances that would require a re-measurement of its lease and will re-measure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

***Inter-Fund Balances***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

**Notes to the Financial Statements****Note 1. The Reporting Entity and Significant Accounting Policies (Continued)*****Inventories***

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

***Capital Assets***

Capital assets, which include buildings, improvements, machinery and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), books and collections, and right-to-use assets are reported in the applicable governmental activities columns in the government-wide financials statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5
Infrastructure	10-50
Books and collections	5
Right-to-use assets	5

***Collections***

The Johnson County Library owns a collection of library books. All books in the collection are protected, kept unencumbered, and preserved. The Library has capitalized this collection. The library collection has a limited life and is available to be borrowed by the general public. The library collection is capitalized and depreciated.

The works of art and historical artifacts which comprise the Museum collection are protected, kept unencumbered, preserved and not considered to be held for financial gain. Therefore, the Museum has not capitalized this collection.

***Impairment of Long-Lived Assets***

Management periodically reviews the carrying value of long-lived assets for potential impairment by comparing the carrying value of these assets to the estimated future cash flows expected to result from the use of these assets. Should the sum of the related expected future net cash flows be less than the carrying value, an impairment loss would be recognized. There was no impairment recorded in 2022.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Property Tax Revenue Recognition***

There are two different types of ad valorem property tax assessment methodologies: non-mineral and mineral. Non-mineral properties are annually valued and assessed on January 1 at fair market value, and mineral properties are valued and assessed on prior year mineral production. Non-mineral property taxes attach as an enforceable lien on property as of January 1 of each year and mineral property taxes attach as an enforceable lien upon the severance of the mineral.

Property taxes are levied on or about August 1 and are due in two installments. The first becomes due on September 1 and delinquent on November 10; the second becomes due on March 1 and delinquent on May 10.

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

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

The County is permitted by Wyoming Statutes to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services other than the payment of principal and interest on long-term debt for the year ended June 30, 2022, was 12 mills, which means that the County has levied to the maximum amount allowable.

From this 12 mills, 1.213, 1.54, and 0.68 mills respectively, have been allocated to the Fair, the Library, and the Museum.

***Major Taxpayers***

The County's ten largest taxpayers account for approximately 58 percent of the County's total assessed property valuation. All ten of the taxpayers are involved in mineral extraction industries. The County received approximately 60 percent of its tax revenues from these taxpayers.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Deferred Outflows of Resources and Deferred Inflows of Resources***

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

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

*Unavailable Revenues and Revenues Applicable to Future Years* – Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, grants, and lease revenue applicable to future years. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or are earned. In the government-wide statement of net position, property tax revenues are reported as a deferred inflow of resources in the year the tax lien attaches to the property. Also, in the government-wide financial statements the County reports deferred amounts related to leases and deferred amounts related to pension.

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

***Compensated Absences***

The County's policy for compensated absences is that any such amounts unused at the end of the fiscal year are accrued. Vacation hours are allowed to accrue to a maximum of 192 hours. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements. The general fund has been used to liquidate these liabilities in prior years.

***Pensions***

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

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Lease Liability***

For non-cancellable leases that are not considered a purchase obligation, the County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County 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 non-cancellable period of the lease including options to extend.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

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

***Long-Term Obligations***

In the government-wide financial statement long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. In the fund financial statements, governmental fund types recognize proceeds from lease purchase obligations and proceeds are reported as other financing sources. Repayments of long-term debt (lease purchase obligations) are reported as debt service expenditures.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Net Position/Fund Balance***

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balance cannot be spent because of its form or legal or contractual restrictions. Restricted fund balance has limitations externally imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Board of County Commissioners, the highest level of authority, through approval of resolutions. Assignments of fund balances express the intent of the County, as designated by the Board of County Commissioners, to utilize the funds for specific purposes. Unassigned fund balance in the general fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes.

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

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of the governments or (2) imposed by law through constitutional provision or enabling legislation. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted net position.

Certain resources of the Library Foundation are classified as restricted assets on the balance sheet because their use is limited by applicable restrictions. Restricted net position is used to differentiate resources, the uses of which are restricted by donors, from unrestricted net position on which donors place no restriction or that arise as a result of the operations of the Library Foundation for its stated purposes. Resources restricted by donors are added to unrestricted net position to the extent expended within the period. Resources restricted by donors for specific operating purposes are reported in other revenue to the extent used within the period

***Endowments***

Restricted nonexpendable net position as of June 30, 2022 represents the principal of permanent endowments restricted to investment in perpetuity by donors of the Library Foundation. Investment earnings, except for changes in fair market value, are expendable to support the purpose as designated by the donors.

***Accounting Estimates***

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the reporting period. Actual amounts could differ from those estimates. The estimate of allowance for property taxes and pension liabilities are specifically significant to the County. It is reasonably possible that this estimate will change within one year of the date of the financial statements due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.

**Note 1. The Reporting Entity and Significant Accounting Policies (Continued)**

***Budgets***

The County Commissioners annually adopt a budget and approve the related appropriations for the funds in accordance with provisions of the Wyoming Statutes. Budgets are legally adopted for all funds of the primary government and for all component units for the County's discretely presented and blended component units. Annual appropriated budgets are prepared on a basis of estimated cash receipts and cash disbursements. Unexpended and unencumbered budgeted amounts and budget appropriations lapse at the end of the fiscal year. Encumbrances are re-appropriated in the ensuing year.

The County Commissioners exercise legal spending control at the department level. Any over-expenditures must be approved by them, as are all departmental budget amendments. The component units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects the approved budget.

***Standards Issued and Implemented***

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable, and (c) note disclosures about the lease. Additionally, under this statement, a government entity that is a lessee must recognize (1) a lease liability and (2) an intangible asset representing the lessee's right to use the leased asset. The County must also report the (1) amortization expense for using the asset over the shorter of the term of the lease or the useful life of the underlying asset, (2) interest expense on the lease liability and (3) note disclosures about the lease. The Statement provides exceptions from the single-approach for short-term leases, financial purchases, leases of assets that are investments and certain regulated leases. This statement also addresses accounting for lease terminations and modifications, sale-leaseback transactions, nonlease components embedded in lease contracts (such as service agreements), and leases with related parties. Management implemented this standard during the year ended June 30, 2022. Implementation resulted in leases being recorded on the balance sheet. Prior to implementation, leases were previously classified as operating leases and expensed in the year the payments were made as opposed to being recorded on the balance sheet.

**Notes to the Financial Statements****Note 2. Deposits and Investments*****Custodial Credit Risk - Deposits***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that the County's deposits in excess of the Federal depository insurance amount be collateralized. Deposits held in the County's bank accounts are insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the County. As of June 30, 2022, the County had bank balances of \$11,020,741 at financial institutions. The County also had cash and cash equivalents of \$8,591,026 in WYO-STAR I. The difference between the carrying amount and the bank balance is the result of the transactions in transit. As of June 30, 2022, all deposits were covered by insurance or collateral held in joint custody with the financial institution.

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Governmental activities	\$ 16,246,497
Fiduciary Fund Statement of Net Position	
Custodial fund	<u>1,795,674</u>
Total carrying amount of deposits	<u>\$ 18,042,171</u>

The WYO-STAR funds are held in trust by the Treasurer of the State of Wyoming and not comingled with other State funds; each entity has an individual interest in the pool held in its own name. Management does not believe its cash balances are at risk as a result of not being fully insured or collateralized. The County has not incurred any losses related to uninsured deposits.

As of June 30, 2022, the component units had balances in the bank of \$4,759,324 which were fully collateralized or insured. The cash and cash equivalents of the component units included deposits of \$225,785 in WYO-STAR I.

***Investments***

As of June 30, 2022, the County (the primary government) had the following investments:

Investment Type	Interest Rate	Total	Investment Maturity (In Years)			Investment Rating *
			Less Than 1	1-5	6-10	
Certificates of deposit	0.25%-3.45%	\$ 9,846,105	\$ 3,427,154	\$ 5,888,262	\$ 530,689	not rated
WYO-STAR I	0.60%	546,192	546,192	-	-	not rated
Wyoming-CLASS	0.12%	1,580,626	1,580,626	-	-	AAAm
U.S Treasury Obligations	0.12%	496,685	496,685	-	-	not rated
GSE's notes and bonds	0.40%-4.70%	5,748,498	-	2,111,045	3,637,453	AA+
GSE mortgage backed securities	0.95%-2.72%	7,804,349	947,049	4,941,924	1,915,376	not rated
		<u>\$ 26,022,455</u>	<u>\$ 6,997,706</u>	<u>\$ 12,941,231</u>	<u>\$ 6,083,518</u>	

\*Wyoming-CLASS rated by S&P Global Rating, other investments rated by Standard and Poor's Rating.

**Notes to the Financial Statements****Note 2. Deposits and Investments (Continued)*****Investments (Continued)***

As of June 30, 2022, the component units of the County had the following investments:

Investment Type	Interest Rate	Total	Investment Maturity (In Years)			Investment Rating**
			Less Than 1	1-5	6-10	
Mutual funds and other exchange traded products	n/a	\$ 1,505,157	\$ 1,505,157	\$ -	\$ -	2-5 star
Stocks	n/a	1,859,820	1,859,820	-	-	not rated
Wyoming-CLASS	0.12%	350,000	350,000	-	-	AAAm
		<u>\$ 3,714,977</u>	<u>\$ 3,714,977</u>	<u>\$ -</u>	<u>\$ -</u>	

\*\*Wyoming-CLASS rated by S&P Global Rating, other investments rated with Morningstar Rating.

Investments of the component units are reported under the following captions:

Investments in the government-wide statement of net position

Johnson County Library, investments and investments restricted by donors	\$ 2,119,108
Johnson County Museum, investments	1,245,869
Johnson County Fair, investments	350,000
	<u>\$ 3,714,977</u>

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County does not have a formal policy to address interest rate risk. The County's investments are held in certificates of deposit, external pooled investment accounts focused on liquidity, U.S. Treasury Obligations, and GSE's with varying maturities as a means of limiting its exposure to fair value losses arising from rising interest rates. The County attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses. The dollar weighted average days to maturity (WAM) of Wyoming-CLASS at June 30, 2022, is 46 days. Next interest rate reset dates for floating rate securities are used in the calculation of the WAM. The weighted average life (WAL) of Wyoming CLASS at June 30, 2022, is 57 days. As of June 30, 2022, the primary government's investment portfolio included mortgage backed securities that have fair values highly sensitive to interest rate changes. When interest rates fall, mortgages are refinanced and paid off early. The reduced stream of future interest payments diminishes the value of the investment.

**Note 2. Deposits and Investments (Continued)**

***Credit Risk***

Generally, credit risk is the risk that an issuer of investments will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law does not allow governments to invest in corporate bonds, stocks or mutual funds and limits investments in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's). Obligations of the U.S. Government are backed by the full faith and credit of the U.S. Government. The U.S. Government sponsored enterprise securities and obligations (GSE's) are not specifically guaranteed by the U.S. Government. However, they are rated AA+ by Standards and Poor's. Under the investment agreement with WYO-STAR I the County's interest is based on the ratio of their cash balance as a percentage of the total cash balance of the pool. Wyoming-CLASS is rated by S&P Global Ratings with a current rating of AAAM. The County follows the mandates for allowable investments as prescribed by Wyoming Statute 9-4-831 as their credit risk policy. WYO-STAR I and Wyoming-CLASS invests in asset backed securities, the collateral for which is securities issued by GNMA, FNMA, FHLMC or notes fully guaranteed as to principal and interest by the Small Business Administration, and government securities including obligations of the U.S. Treasury and U.S. government agencies.

***Concentration of Credit Risk***

The concentration of credit risk is the risk of loss that may be caused by the County's investments in a single issuer. The County does not have a formal policy that allows for or limits an investment in any one issuer in excess of a specified percentage of the County's total investments. At June 30, 2022, the County had 2.10% of its investments in WYO-STAR, 37.84% in certificates of deposit, 1.91% in U.S. Treasury Obligations, 6.07% in Wyoming-CLASS, 29.99% in GSE's mortgage backed securities, and 22.09% in GSE notes and bonds.

***Custodial Credit Risk - Investments***

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 does not have a formal policy for custodial credit risk. While the County has no formal policy for custodial credit risk for investments, management believes the stability and reputation of these brokers or other banks serves to limit its custodial credit risk. The County's investment balances in certificates of deposit, U.S. Treasury Obligations, GSE's notes and bonds, and GSE's mortgage backed securities held by a broker are insured up to \$500,000 (with a limit of \$100,000 for cash) by the Securities Investment Protection Corporation. Additionally these investments are held by a clearing broker pursuant to a clearing agreement which provides coverage in excess of SIPC limits.

***Fair Value of Investments***

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Wyoming-CLASS and WYO-STAR I measures its investments at fair value in accordance with Paragraph 41 of GASB Statement 79 and Paragraph 11 of GASB Statement 31, and therefore a Participant's investment in Wyoming CLASS and WYO-STAR I is not required to be categorized within the fair value hierarchy for purposes of Paragraph 81a(2) of GASB Statement 72.

**Notes to the Financial Statements****Note 2. Deposits and Investments (Continued)*****Fair Value of Investments (Continued)***

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2022:

*U.S. Treasury Obligations* – Valued at the closing price reported in the active market in which the individual securities are traded.

*Government sponsored enterprises (GSEs) notes and bonds and GSE mortgage backed securities* - Valued using quoted prices for identical or similar assets in active markets.

*Certificates of deposit* - Valued at closing price reported on the active market on which the individual certificate of deposit is traded. If held to maturity, the certificates of deposit are redeemed at purchased value.

*Mutual funds and exchange traded products* - Valued at the daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mutual funds held by component units of the County are deemed to be actively traded. Exchange traded products trade on an exchange like equities.

*Stocks* - Valued at the closing price reported in the active market in which the individual securities are traded.

*Primary government investments*

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Obligations	\$ 496,685	\$ -	\$ -	\$ 496,685
GSE notes and bonds	-	5,748,498	-	5,748,498
GSE mortgage backed securities	-	7,804,349	-	7,804,349
Certificates of deposit		9,846,105		9,846,105
Total investments at fair value	<u>\$ 496,685</u>	<u>\$ 23,398,952</u>	<u>\$ -</u>	<u>23,895,637</u>
Other investments reported in the following classifications				
WYO-STAR I				546,192
Wyoming-CLASS				1,580,626
Total primary government investments at fair value				<u>\$ 2,126,818</u>

*Component unit investments*

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Mutual funds and exchange traded products	\$ 1,505,157	\$ -	\$ -	\$ 1,505,157
Stocks	1,859,820	-	-	1,859,820
Total investments at fair value	<u>\$ 3,364,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,364,977</u>
Other investments reported in the following classifications				
Wyoming-CLASS				350,000
Total component unit investments at fair value				<u>\$ 370,000</u>

**Notes to the Financial Statements****Note 3. Notes and Leases Receivable****Notes Receivable**

Notes receivable consist of the following at June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<i>City of Buffalo</i>					
\$1,000,000 note at imputed interest of 2.0%, payable in annual payments of \$67,000 including interest for 15 years, collateralized by part ownership of the Justice Center Building.	\$ 311,273	\$ -	\$ 60,774	\$ 250,499	\$ 61,990
<i>Kaycee Solid Waste District</i>					
\$142,000 note receivable at zero percent interest, payable in annual installments of \$9,647 for 15 years, collateralized by property tax levy for the Solid Waste District.	7,000	-	-	7,000	7,000
	<u>\$ 318,273</u>	<u>\$ -</u>	<u>\$ 60,774</u>	<u>\$ 257,499</u>	<u>\$ 68,990</u>

The County reported interest income of \$7,417 during the year ended June 30, 2022 on the notes receivable from the City of Buffalo.

Year Ending June 30,	Notes Receivable	
	Principal	Interest
2023	\$ 68,990	\$ 5,010
2024	63,230	3,770
2025	64,494	2,506
2026	60,785	1,216
	<u>\$ 257,499</u>	<u>\$ 12,502</u>

**Leases Receivable**

The County leases the use of land to third parties at the Johnson County Airport. The lease terms range until June 2037 to June 2046. The County will receive monthly payments based on square footage of land leased ranging from \$1,078 to \$2,161. The County recognized \$1,938 in lease revenue and \$5,683 in interest revenue during the current fiscal year related to these leases. As of June 30, 2022, the County's receivable for lease payments was \$73,637. Also, the County has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$73,637.

**Notes to the Financial Statements****Note 4. Wyoming Game and Fish Lease Revenue**

During the fiscal year ended June 30, 2014, the County completed the dissolution of the Lake DeSmet Counties Coalition and all the assets and debts of the Coalition were merged with the County. As part of the dissolution, the County signed a 99 year operating lease with the Wyoming Game and Fish Commission for various water and reservoir rights. At June 30, 2022, the cost and carrying amounts of the water and reservoir rights, which are not being depreciated, were \$1,282,440. Revenue is being recognized over 99 years beginning in fiscal year 2015 when the first payment was received. The County recognizes the revenue from the Wyoming Game and Fish Commission at the rate of \$30,019 per year for the duration of the lease. As of the fiscal year ended June 30, 2022, \$240,153, has been recognized as revenue and \$2,731,747 is applicable to future years and has been reported as a deferred inflow of resources. In each of the five succeeding years the County will recognize \$30,019 in revenues, or a total of \$150,095, with the balance of \$2,581,652 being recognized thereafter. Although the revenue is recognized over the 99 year period, the County received the full payment of \$2,971,900 for the lease over a five year period from 2015 through 2019.

**Note 5. Interfund Balances and Transfers**

Individual fund interfund receivables and payables at June 30, 2022 are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 5,941	\$ 12,852
County Road Construction Fund	12,852	-
Nonmajor Funds	-	5,941
	<u>\$ 18,793</u>	<u>\$ 18,793</u>

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

Transfers are used to (1) move revenues from the funds that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2022 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 88,411	\$ 123,414
Nonmajor Funds	63,933	28,930
	<u>\$ 152,344</u>	<u>\$ 152,344</u>

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

Capital asset activity for the year ended June 30, 2022 was as follows:

**Primary Government**

	Beginning Balance	Additions	Transfers and Deletions	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land and other nondepreciable assets	\$ 4,247,718	\$ -	\$ -	\$ 4,247,718
Construction in progress	246,151	632,205	846,791	31,565
Total capital assets not being depreciated	<u>4,493,869</u>	<u>632,205</u>	<u>846,791</u>	<u>4,279,283</u>
Capital assets being depreciated				
Buildings	27,269,844	33,476	-	27,303,320
Improvements other than buildings	46,839,367	69,464	-	46,908,831
Machinery and equipment	10,320,283	160,304	-	10,480,587
Infrastructure	37,995,157	855,749	-	38,850,906
Total capital assets being depreciated	<u>122,424,651</u>	<u>1,118,993</u>	<u>-</u>	<u>123,543,644</u>
Less accumulated depreciation for				
Buildings	8,382,109	690,476	-	9,072,585
Improvements other than buildings	11,731,286	1,000,222	-	12,731,508
Machinery and equipment	8,138,401	477,992	-	8,616,393
Infrastructure	20,811,014	2,265,035	-	23,076,049
Total accumulated depreciation	<u>49,062,810</u>	<u>4,433,725</u>	<u>-</u>	<u>53,496,535</u>
Total capital assets being depreciated, net	<u>73,361,841</u>	<u>(3,314,732)</u>	<u>-</u>	<u>70,047,109</u>
Governmental activities capital assets, net	<u>\$ 77,855,710</u>	<u>\$ (2,682,527)</u>	<u>\$ 846,791</u>	<u>\$ 74,326,392</u>

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

Governmental activities	
General government	\$ 1,355,093
Public safety	110,445
Public works	2,902,112
Conservation of resources	5,711
Health, welfare and recreation	60,364
Total depreciation expense - governmental activities	<u>\$ 4,433,725</u>

Machinery and equipment that was purchased under a lease purchase obligation is included in machinery and equipment of the governmental activities. The purchase price of that equipment was \$10,749 with accumulated depreciation of \$7,400, the current year depreciation of \$2,007 was expensed in general government activities.

**Notes to the Financial Statements****Note 6. Capital Assets (Continued)*****Discretely Presented Component Units***

Activity for the County Fair for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 15,095	\$ -	\$ -	\$ 15,095
Construction in progress	40,460	154,206	145,306	49,360
Total capital assets not being depreciated	55,555	154,206	145,306	64,455
Capital assets being depreciated				
Buildings	1,809,841	145,306	-	1,955,147
Improvements other than buildings	179,928	-	-	179,928
Machinery and equipment	391,294	22,617	-	413,911
Total capital assets being depreciated	2,381,063	167,923	-	2,548,986
Less accumulated depreciation for				
Buildings	643,656	64,295	-	707,951
Improvements other than buildings	173,338	370	-	173,708
Machinery and equipment	299,087	25,774	-	324,861
Total accumulated depreciation	1,116,081	90,439	-	1,206,520
Total capital assets being depreciated, net	1,264,982	77,484	-	1,342,466
County Fair capital assets, net	\$ 1,320,537	\$ 231,690	\$ 145,306	\$ 1,406,921

Activity for the County Library for the year ended June 30, 2022 was as follows:

	Restated Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 84,565	\$ -	\$ -	\$ 84,565
Total capital assets not being depreciated	84,565	-	-	84,565
Capital assets being depreciated				
Buildings	4,719,761	-	-	4,719,761
Books and collections	1,515,484	36,137	-	1,551,621
Machinery and equipment	259,243	1,683	-	260,926
Right-to-use asset	10,078	-	-	10,078
Total capital assets being depreciated	6,504,566	37,820	-	6,542,386
Less accumulated depreciation/amortization for				
Buildings	1,144,127	121,675	-	1,265,802
Books and collections	1,421,364	38,624	-	1,459,988
Machinery and equipment	249,183	5,098	-	254,281
Right-to-use asset	2,474	2,016	-	4,490
Total accumulated depreciation	2,817,148	165,397	-	2,984,561
Total capital assets being depreciated, net	3,687,418	(127,577)	-	3,557,825
County Library capital assets, net	\$ 3,771,983	\$ (127,577)	\$ -	\$ 3,642,390

**Notes to the Financial Statements****Note 6. Capital Assets (Continued)*****Discretely Presented Component Units (Continued)***

Activity for the County Museum for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets being depreciated				
Buildings	\$ 440,429	\$ -	\$ -	\$ 440,429
Machinery and equipment	34,591	-	-	34,591
Total capital assets being depreciated	475,020	-	-	475,020
Less accumulated depreciation for				
Buildings	272,495	22,021	-	294,516
Machinery and equipment	28,537	4,038	-	32,575
Total accumulated depreciation	301,032	26,059	-	327,091
Total capital assets being depreciated, net	173,988	(26,059)	-	147,929
County Museum capital assets, net	<u>\$ 173,988</u>	<u>\$ (26,059)</u>	<u>\$ -</u>	<u>\$ 147,929</u>

Activity for the Weed and Pest Control for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 17,126	\$ -	\$ -	\$ 17,126
Total capital assets not being depreciated	17,126	-	-	17,126
Capital assets being depreciated				
Buildings	125,996	-	-	125,996
Machinery and equipment	177,114	-	-	177,114
Total capital assets being depreciated	303,110	-	-	303,110
Less accumulated depreciation for				
Buildings	72,743	3,212	-	75,955
Machinery and equipment	117,097	22,831	-	139,928
Total accumulated depreciation	189,840	26,043	-	215,883
Total capital assets being depreciated, net	113,270	(26,043)	-	87,227
Weed and Pest Control capital assets, net	<u>\$ 130,396</u>	<u>\$ (26,043)</u>	<u>\$ -</u>	<u>\$ 104,353</u>

Machinery and equipment that was purchased under a lease right-to-use obligation is included in machinery and equipment of the Library. The purchase price of that equipment was \$10,078 with ending accumulated depreciation of \$4,490, the current year depreciation of \$2,016 was expensed in the Library.

**Notes to the Financial Statements****Note 7. Long-Term Debt*****Primary Government***

The following is a summary of debt transactions of the County for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 408,181	\$ 7,081	\$ -	\$ 415,262	\$ 14,397
Lease purchase obligations	5,945	-	2,250	3,695	2,101
Incurring but not reported claims	65,000	-	55,000	10,000	10,000
Net pension liability	3,591,632	1,298,569	-	4,890,201	-
Total primary government	<u>\$ 4,070,758</u>	<u>\$ 1,305,650</u>	<u>\$ 57,250</u>	<u>\$ 5,319,158</u>	<u>\$ 26,498</u>

All County obligations are generally liquidated by the general fund and incurred but not reported claims are liquidated by the internal service fund.

***Primary Government Lease Purchase Obligations***

Lease purchase obligations collateralized by the assets noted as of June 30, 2022 are as follows:

\$8,250 copier lease purchase obligation dated April 2018 due in monthly installments of \$170 through April 2023, implied interest rate of 8.686%, serviced by the general fund and collateralized by the copier.	\$ 1,635
\$2,499 copier lease purchase obligation dated June 2021 due in monthly installments of \$48 through June 2026, implied interest rate of 6.356%, serviced by the general fund and collateralized by the copier.	2,060
	<u>\$ 3,695</u>

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

**Notes to the Financial Statements****Note 7. Long-Term Debt (Continued)****Primary Government Lease Purchase Obligations (Continued)**

Future minimum lease payment under lease purchase obligations together with the present value of net minimum lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	Lease Purchase Obligations
2023	\$ 2,285
2024	585
2025	585
2026	585
Total minimum lease payments	4,040
Less: amount representing interest	345
Present value of minimum lease payments	<u>\$ 3,695</u>

**Component Units**

The following is a summary of debt transactions of the component units of the County for the year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
County Fair					
Compensated absences	\$ 4,437	\$ -	\$ 4,437	\$ -	\$ -
Pension liability	96,108	-	54,245	41,863	-
Total County Fair	<u>\$ 100,545</u>	<u>\$ -</u>	<u>\$ 58,682</u>	<u>\$ 41,863</u>	<u>\$ -</u>
County Library					
Compensated absences	\$ 12,821	\$ 2,453	\$ -	\$ 15,274	\$ -
Lease right-to-use obligations	8,831	-	1,601	7,230	1,875
Pension liability	338,930	-	126,526	212,404	-
Total County Library	<u>\$ 360,582</u>	<u>\$ 2,453</u>	<u>\$ 128,127</u>	<u>\$ 234,908</u>	<u>\$ 1,875</u>
County Museum					
Compensated absences	\$ 6,503	\$ 101	\$ -	\$ 6,604	\$ -
Pension liability	149,705	-	44,718	104,987	-
Total County Museum	<u>\$ 156,208</u>	<u>\$ 101</u>	<u>\$ 44,718</u>	<u>\$ 111,591</u>	<u>\$ -</u>
Weed and Pest Control					
Compensated absences	\$ 69,877	\$ -	\$ 15,476	\$ 54,401	\$ -
Pension liability	127,055	-	34,445	92,610	-
Total Weed and Pest Control	<u>\$ 196,932</u>	<u>\$ -</u>	<u>\$ 49,921</u>	<u>\$ 147,011</u>	<u>\$ -</u>

**Notes to the Financial Statements**

**Note 7. Long-Term Debt (Continued)**

***Component Units Lease Right-To-Use Obligations***

Capital lease obligations collateralized by the assets noted as of June 30, 2022 are as follows:

\$7,800 copier lease right-to-use obligation dated May 2020 due in monthly installments of \$178 through May 2025, implied interest rate of 13%, collateralized by a copier.	\$ 5,150
\$2,319 copier lease right-to-use obligation dated April 2021 due in monthly installments of \$76 through May 2026, implied interest rate of 30.5%, collateralized by a copier.	2,080
	<u>\$ 7,230</u>

Future minimum lease payment under capital leases together with the present value of net minimum lease payments as of June 30, 2022 are as follows:

Year Ending June 30,	County Library Lease Right-To-Use Obligations
2023	\$ 3,051
2024	3,051
2025	2,873
2026	842
Total minimum lease payments	<u>9,817</u>
Less: amount representing interest	2,587
Present value of minimum lease payments	<u>\$ 7,230</u>

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**Notes to the Financial Statements****Note 8. Fund Equity*****Fund Balances Specific Purpose Details***

The following table outlines the specific purpose details for governmental fund balances of the County:

	General Fund	County Road Construction Fund	Other Governmental Funds	Total
Nonspendable				
Prepaid items	\$ 144,741	\$ -	\$ -	\$ 144,741
Inventories	425,870	-	-	425,870
Notes receivable - noncurrent	188,509	-	-	188,509
Total nonspendable	<u>759,120</u>	<u>-</u>	<u>-</u>	<u>759,120</u>
Restricted for road construction	-	5,175,402	-	5,175,402
Restricted for special revenue funds (by granting agencies)				
Best beginnings grant fund	-	-	24,298	24,298
Public health grants fund	-	-	51,097	51,097
TANF/CPI fund	-	-	345	345
Homeland security grants fund	-	-	53,425	53,425
CDBG grant fund	-	-	8,548	8,548
Charitable relief grant fund	-	-	100	100
Community juvenile services fund	-	-	7,562	7,562
Airport grants fund	-	-	241,428	241,428
Victim witness grant fund	-	-	2,491	2,491
Total restricted (granting agencies)	<u>-</u>	<u>-</u>	<u>389,294</u>	<u>389,294</u>
Restricted for special revenue funds (by voters)				
Library expansion project fund	-	-	2,122	2,122
Restricted for special revenue funds (E-911)				
E-911 fund	-	-	361,593	361,593
Total restricted	<u>-</u>	<u>5,175,402</u>	<u>753,009</u>	<u>5,928,411</u>
Committed for Joint Justice Center Building			95,055	95,055
Committed for perpetual funding				
Johnson County Capital buildings	1,500,000	-	-	1,500,000
Fairgrounds	344,787	-	-	344,787
Lake DeSmet counties coalition emergency	2,324,844	-	-	2,324,844
Total committed	<u>4,169,631</u>	<u>-</u>	<u>95,055</u>	<u>4,264,686</u>
Assigned to				
Cash reserve	6,442,014	-	-	6,442,014
Operations reserve	5,716,626	-	-	5,716,626
Capital improvement reserve	14,843,371	-	-	14,843,371
Jarrard Park cash reserve	26,681	-	-	26,681
Mikesell-Potts recreation area	62,842	-	-	62,842
Johnson County library maintenance	497,664	-	-	497,664
Clerk of Court reserve	20,000	-	-	20,000
Total assigned	<u>27,609,198</u>	<u>-</u>	<u>-</u>	<u>27,609,198</u>
Unassigned (deficit)	<u>(1,275,039)</u>	<u>-</u>	<u>268,823</u>	<u>(1,006,216)</u>
	<u>\$ 31,262,910</u>	<u>\$ 5,175,402</u>	<u>\$ 1,116,887</u>	<u>\$ 37,555,199</u>

**Notes to the Financial Statements****Note 8. Fund Equity (Continued)**

The Johnson County Library has permanently restricted net assets of \$1,469,583 as of June 30, 2022, that represent funds restricted by donors.

**Note 9. Risk Management*****General Liability***

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result of these and other risks, the County participates in the Wyoming Association of Risk Management (WARM), a management risk pool and WARM property insurance pool and Local Government Liability Pool (LGLP). LGLP provides liability coverage for claims subject to the Wyoming Governmental Claims Act (Wyoming Statute §1-39-101) up to \$250,000 per claimant but not more than \$500,000 per occurrence, \$1,500,000 per occurrence, and \$5,000,000 annual aggregate for federal and out-of-state claims. The coverage limit is \$1,000,000,000 for all members combined of the WARM risk pool including various additional sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to WARM and LGLP by the County were approximately \$111,645 and \$33,096, respectively.

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

The County pays into the State Worker's Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative costs. Wyoming Statute 27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This Act requires the County to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the County. The County makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the County to the State for Workers' Compensation during fiscal year 2022 were \$49,474.

Wyoming Statute 27-3-101 created the Unemployment Compensation Act. This Act requires the County to pay the cost of actual claims incurred. The County incurred and paid no claims for the year ended June 30, 2022.

The County has adopted a self-insured plan for employee health insurance. Under the plan, the County makes monthly contributions in an amount estimated to cover the expenses and obligations of the plan. As part of the plan, the County has obtained commercial stop loss insurance for individual claims exceeding \$30,000. During fiscal year ended June 30, 2022 the County paid \$500,025 in stop loss premiums. The County allows its component units, as well as other governmental entities in the County to participate in the health insurance plan.

The plan's third party administrator has estimated the claims liability. The changes in the liabilities for claims are as follows:

	Claims Liability July 1	Claims Incurred	Claims Paid	Claims Liability June 30
Fiscal Year 2022	\$ 65,000	\$ 1,113,251	\$ 1,168,251	\$ 10,000
Fiscal Year 2021	\$ 90,000	\$ 1,783,104	\$ 1,808,104	\$ 65,000

**Notes to the Financial Statements****Note 10. Litigation and Other Contingent Liabilities**

There are several lawsuits pending against the County for various reasons. The outcome and eventual liability to the County, if any, in these cases is not known at this time; however, management and legal counsel estimate the potential claims against the County, not covered by insurance, resulting from such litigation would not materially affect the basic financial statements of the County.

Two of the County's largest taxpayers have not paid their outstanding taxes owed to the County. At June 30, 2022 the County was in negotiations for payment of these receivables.

**Note 11. Transactions with Related Organizations and Component Units*****Transactions with Component Units***

The County provided revenues to various component units during the fiscal year. The County also collected payments for the cost of health insurance from various component units. Following are the amounts provided and the amounts received from each component unit during the fiscal year ended June 30, 2022.

	<u>Revenues Provided by the County</u>	<u>Payments Received by the County</u>
	<u>Operating Grants and Contributions</u>	<u>Health Insurance</u>
County Fair	\$ 75,205	\$ 6,064
County Library	20,000	55,569
County Museum	6,101	51,312

**Note 12. Pension Plans*****Pension Plan Fiduciary Net Position***

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

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

***Public Employees' Pension Plan***

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

**Note 12. Pension Plans (Continued)**

***Public Employees' Pension Plan (Continued)***

PEPP members are statutorily required to contribute 9.25% of their annual covered salary and the employer is statutorily required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County has elected to contribute an additional 7.57% on behalf of eligible employees. Although paid by the County, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The County currently pays 17.19% of covered payroll and the employees contribute the remaining portion, 1.43% of covered payroll. The County's contributions to the PEPP for the years ended June 30, 2022, 2021, and 2020 were \$426,268, \$402,219, and \$398,477, respectively, while the employees' portion was \$35,460, \$34,462, and \$35,281, respectively.

For the years ended June 30, 2022, 2021 and 2020, the County's statutorily required contributions to the PEPP pension plan were \$232,352, \$219,786, and \$218,356, respectively.

The County Fair, the County Library, the County Museum, and the Weed and Pest Control also participate in the PEPP pension plan and pay 100% of the required employee contributions. The component unit contributions to the PEPP pension plan for the years ended June 30, 2022, 2021, and 2020 were \$100,356, \$104,242, and \$106,265, respectively, equal to the required contributions for each year.

For the years ended June 30, 2022, 2021 and 2020, the component unit's statutorily required contributions to the PEPP pension plan were \$50,501, \$52,467, \$53,493, respectively.

The amount of contributions designated as employee contributions represents the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan.

- For Tier 1 (first contribution before September 1, 2012), the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60.
- For Tier 2 (first contribution on or after September 1, 2012), the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65.

All employees may also retire on the basis that the sum of the member's age and service is at least 85.

**Note 12. Pension Plans (Continued)**

***Public Employees' Pension Plan (Continued)***

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of the seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. The State Legislature must grant any cost of living adjustment provided to retirees. In addition a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

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

***Law Enforcement Pension Plan***

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

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

LEPP members are statutorily required to contribute 8.60% of their annual covered salary and the employer is statutorily required to contribute 8.60% of the annual covered payroll for a total of 17.20%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County has elected to contribute an additional 2.65% on behalf of eligible employees. Although paid by the County, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The County currently pays 11.25% of covered payroll and the police officers contribute the remaining portion, 5.95% of covered payroll.

The County's contributions to the LEPP plan for the years ended June 30, 2022, 2021, and 2020, were \$188,179, \$184,807, and \$190,039, respectively, while the employees' portion was \$94,930, \$97,742, and \$100,509, respectively

For the years ended June 30, 2022, 2021, and 2020, the County's statutorily required contributions to the LEPP pension plan were \$141,555, \$141,275, and \$145,274, respectively.

**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2022, the County reported a total liability of \$4,890,201 for its proportionate share of the net pension liability. The County's component units: Fair, Library, Museum, and Weed and Pest Control, reported \$41,863, \$248,010, \$104,987, and \$92,610, respectively, for their proportionate share on the net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2021, applied to all prior periods in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2020. The net pension liability as of December 31, 2021 is based on the results of an actuarial valuation as of January 1, 2021, rolled forward to a measurement date of December 31, 2021.

The schedule below shows the County's and each of its component units' proportionate share of the net pension liability at June 30, 2022, the proportionate portion at the measurement date of December 31, 2021, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2022	Proportion at December 31, 2021	Increase (decrease) from December 31, 2020
Primary Government			
Public Employees' Pension Plan	\$ 2,041,848	0.133911610%	-0.000157090%
Law Enforcement Pension Plan	2,848,353	1.001042900%	0.006012100%
	<u>\$ 4,890,201</u>		
Component Units			
Public Employees' Pension Plan			
County Fair	\$ 41,863	0.002745600%	-0.001676500%
County Library	\$ 212,404	0.013930700%	-0.001664000%
County Museum	\$ 104,987	0.006885700%	-0.000002500%
Weed and Pest Control	\$ 92,610	0.006073900%	0.000227900%

**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

For the year ended June 30, 2022, the County and its component unit, the Museum, recognized pension expense of \$626,597 and \$8,674, respectively, while the Fair, Library, and Weed and Pest Control recaptured prior pension expense of \$7,929, \$46,908, and \$13,300, respectively.

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government				Total Outflows	Total Inflows
	Deferred Outflows (Inflows) of Resources					
	PEPP		LEPP			
Net difference between projected and actual earnings on pension plan investments	\$ 204,196	\$ (1,568,975)	\$ 141,472	\$ (1,082,403)	\$ 345,668	\$ (2,651,378)
Changes in assumptions	165,227	-	2,189,192	(366,160)	2,354,419	(366,160)
Difference between actual and expected experience rate	38,336	(3,187)	164,992	(9,589)	203,328	(12,776)
Change in employer's proportion	11,724	(36,940)	6,803	(39,898)	18,527	(76,838)
Amortizing deferred outflows and deferred inflows	419,483	(1,609,102)	2,502,459	(1,498,050)	2,921,942	(3,107,152)
Contributions subsequent to the measurement date	116,474	-	69,773	-	186,247	-
Total	<u>\$ 535,957</u>	<u>\$ (1,609,102)</u>	<u>\$ 2,572,232</u>	<u>\$ (1,498,050)</u>	<u>\$ 3,108,189</u>	<u>\$ (3,107,152)</u>

The County reported \$186,247 as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date; these deferred outflows will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

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

	Primary Government		
	Deferred Outflows		
	Public Employees' Pension Plan	Law Enforcement Pension Plan	Plan Total
Year ended June 30,			
2023	\$ 302,894	\$ 1,005,456	\$ 1,308,350
2024	84,989	710,532	795,521
2025	31,600	678,191	709,791
2026	-	108,280	108,280
	<u>\$ 419,483</u>	<u>\$ 2,502,459</u>	<u>\$ 2,921,942</u>
	Primary Government		
	Deferred Inflows		
	Public Employees' Pension Plan	Law Enforcement Pension Plan	Plan Total
Year ended June 30,			
2023	\$ (540,422)	\$ (649,614)	\$ (1,190,036)
2024	(533,980)	(473,534)	(1,007,514)
2025	(303,944)	(214,592)	(518,536)
2026	(230,756)	(160,310)	(391,066)
	<u>\$ (1,609,102)</u>	<u>\$ (1,498,050)</u>	<u>\$ (3,107,152)</u>

**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

At June 30, 2022, the component units of the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred (Inflows)
<b><i>County Fair</i></b>		
Net difference between projected and actual earnings on pension plan investments	\$ 6,371	\$ (40,132)
Changes in assumptions	3,388	-
Difference between actual and expected experience rate	1,238	(103)
Change in employer's proportion	1,655	(31,849)
Amortizing deferred outflows and deferred inflows	12,652	(72,084)
Contributions subsequent to the measurement date	2,472	-
Total	<u>\$ 15,124</u>	<u>\$ (72,084)</u>
<b><i>County Library</i></b>		
Net difference between projected and actual earnings on pension plan investments	\$ 30,527	\$ (179,668)
Changes in assumptions	17,188	-
Difference between actual and expected experience rate	4,434	(446)
Change in employer's proportion	71	(79,239)
Amortizing deferred outflows and deferred inflows	52,220	(259,353)
Contributions subsequent to the measurement date	11,192	-
Total	<u>\$ 63,412</u>	<u>\$ (259,353)</u>
<b><i>County Museum</i></b>		
Net difference between projected and actual earnings on pension plan investments	\$ 9,466	\$ (83,307)
Changes in assumptions	8,496	-
Difference between actual and expected experience rate	1,970	(174)
Change in employer's proportion	10,129	(12,724)
Amortizing deferred outflows and deferred inflows	30,061	(96,205)
Contributions subsequent to the measurement date	6,746	-
Total	<u>\$ 36,807</u>	<u>\$ (96,205)</u>
<b><i>Weed and Pest Control</i></b>		
Net difference between projected and actual earnings on pension plan investments	\$ 8,870	\$ (70,800)
Changes in assumptions	7,494	-
Difference between actual and expected experience rate	1,675	(143)
Change in employer's proportion	6,376	(4,997)
Amortizing deferred outflows and deferred inflows	24,415	(75,940)
Contributions subsequent to the measurement date	5,792	-
Total	<u>\$ 30,207</u>	<u>\$ (75,940)</u>

**Notes to the Financial Statements**

**Note 12. Pension Plans (Continued)**

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

The County's component units: Fair, Library, Museum and Weed and Pest Control, reported \$2,472, \$11,192, \$6,746, and \$5,792 respectively as deferred outflows of resources related to pensions resulting from their contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

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

	Component Units							
	County Fair		County Library		County Museum		Weed and Pest Control	
	Deferred Outflows	Deferred (Inflows)	Deferred Outflows	Deferred (Inflows)	Deferred Outflows	Deferred (Inflows)	Deferred Outflows	Deferred (Inflows)
Year ended June 30,								
2023	\$ 10,048	\$ (27,239)	\$ 39,881	\$ (104,450)	\$ 24,067	\$ (34,800)	\$ 16,638	\$ (26,313)
2024	1,956	(27,099)	9,052	(92,598)	4,369	(33,932)	5,543	(25,526)
2025	648	(13,016)	3,287	(38,300)	1,625	(15,606)	2,234	(13,634)
2026	-	(4,730)	-	(24,005)	-	(11,867)	-	(10,467)
	<u>\$ 12,652</u>	<u>\$ (72,084)</u>	<u>\$ 52,220</u>	<u>\$ (259,353)</u>	<u>\$ 30,061</u>	<u>\$ (96,205)</u>	<u>\$ 24,415</u>	<u>\$ (75,940)</u>

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**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)******Actuarial Assumptions***

The total pension liability at the December 31, 2021 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation Date	January 1, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	
PEPP	26 years
LEPP	24 years
Asset valuation method	5 Year smoothed market
Inflation	2.25%
Salary increases	
PEPP	2.50% to 6.50%, including inflation
LEPP	3.00% to 7.00%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Based on an experience study that covered a five year period ending December 31, 2020.
Post-Retirement Mortality	Pub-2010 General/Safety Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale
PEPP	Males: No set back with a multiplier of 100%
	Females: No set back with a multiplier of 103%
LEPP	Males: No set back with a multiplier of 100%
	Females: No set back with a multiplier of 100%
Pre-Retirement Mortality	Pub-2010 General/Safety Active Mortality Table, amount weighted, fully generational, projected with Scale MP-2020 Ultimate Scale
PEPP	Males: No set back with a multiplier of 100%
	Females: No set back with a multiplier of 100%

The plan's trustees adopted the assumed rate of investment return after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2021. In addition, a five year experience study was completed as of December 31, 2020 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 6.80% (real return net of inflation of 4.55%) falls within a reasonable range of the long-term expected rate of return.

**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Actuarial Assumptions (Continued)***

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long Term Expected Arithmetic Real Rate of Return
Cash	2.00%	-0.50%	-0.50%
Fixed income	21.00%	1.32%	1.63%
Equity	48.50%	5.63%	7.54%
Marketable alternatives	19.00%	3.74%	4.63%
Private markets	9.50%	4.84%	5.99%
Total	100.00%	4.17%	5.44%

***Discount Rate***

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 6.8% and 5.17%, respectively. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for the use with the long-term expected rate of return are not met).

For purposes of this valuation, the expected rate of return on pension plan investments is 6.80%, the municipal bond rate is 1.84% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting single discount rates listed above.

**Notes to the Financial Statements****Note 12. Pension Plans (Continued)*****Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the County's proportionate share of the net pension liability calculated using the discount rate applicable, 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 or 1-percentage-point higher than the current rate.

Pension Plan	1% Decrease	Current Discount	1% Increase
	(5.80%)	Rate (6.80%)	(7.80%)
Public Employees' Pension Plan			
Primary government	\$ 3,767,182	\$ 2,041,848	\$ 611,642
Component units			
County Fair	\$ 77,236	\$ 41,863	\$ 12,540
County Library	\$ 381,883	\$ 212,404	\$ 63,626
County Museum	\$ 193,702	\$ 104,987	\$ 31,450
Weed and Pest Control	\$ 170,864	\$ 92,610	\$ 27,742

Pension Plan	1% Decrease	Current Discount	1% Increase
	(4.17%)	Rate (5.17%)	(6.17%)
Law Enforcement Pension Plan	\$ 4,673,718	\$ 2,848,353	\$ 1,386,313

***Payables to the pension plan***

At June 30, 2022, the County and its component units reported no amounts as payable to the pension plans.

**Note 13. Accounting Standards Issued, But Not Implemented**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, *Leases*. This standard (a) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction; (b) requires governments with SBITAs to recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability (with an exception for short-term SBITAs—those with a maximum possible term of 12 months); and (c) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

Management has not yet completed its assessment of the effects of implementing these standards.

**Notes to the Financial Statements**

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**Note 14. Commitments**

The County has an outstanding construction project as of June 30, 2022. The project encompasses construction to be performed on a bridge located in the County. At year end, the County's commitments with contractors are as follows:

Project Name	Original Contract Amount	Amended Contract Amount	Expended To Date	Remaining Commitment
Crazy Woman Bridge Project	\$ 193,000	\$ 218,000	\$ 31,565	\$ 186,435
Total commitments	\$ 193,000	\$ 218,000	\$ 31,565	\$ 186,435

**Note 15. Subsequent Events**

The County received the second tranche of the Coronavirus State and Local Fiscal Recovery Funds provided for by the American Rescue Plan Act in the amount of \$820,171 in September 2022.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**(Unaudited)**

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Johnson County, Wyoming

Year Ended June 30, 2022

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

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property taxes	\$ -	\$ -	\$ 2,253,154	\$ 2,253,154
Intergovernmental revenues	3,965,209	3,965,209	6,329,911	2,364,702
Charges for services	774,532	774,532	826,900	52,368
Investment income	380,000	380,000	430,914	50,914
Miscellaneous revenues	146,100	146,100	1,074,593	928,493
Total revenues	5,265,841	5,265,841	10,915,472	5,649,631
Expenditures				
Current				
General government				
County Commissioners	169,999	169,999	155,321	14,678
County Clerk	362,499	362,499	355,129	7,370
County Treasurer	262,595	262,595	255,444	7,151
County Assessor	336,191	336,191	335,529	662
County Attorney	380,666	380,666	370,495	10,171
Circuit Court	1,000	1,000	108	892
Clerk of District Court	370,533	370,533	308,380	62,153
Courthouse and Buildings	479,197	479,197	411,143	68,054
Elections	76,195	76,195	48,497	27,698
Other General Accounts	2,780,323	2,883,309	2,654,567	228,742
Planning Commission	131,405	131,405	113,689	17,716
Information Technology	151,510	151,510	143,150	8,360
Computer	437,143	437,143	372,681	64,462
Juvenile Probation/Social Services	73,725	73,725	34,845	38,880
Total general government	6,012,981	6,115,967	5,558,978	556,989
Public Safety				
Sheriff	1,137,106	1,137,106	1,129,796	7,310
Detention	1,428,624	1,428,624	1,350,261	78,363
Coroner	80,545	92,570	92,565	5
Fire Warden	24,108	24,108	22,986	1,122
Emergency Manager	86,404	86,404	75,934	10,470
Justice Center	291,875	291,875	194,627	97,248
Total public safety	3,048,662	3,060,687	2,866,169	194,518

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

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Road & Bridge	2,022,309	2,022,309	1,855,064	167,245
Airport	73,350	73,350	61,625	11,725
Lake DeSmet Operating	60,163	60,163	38,437	21,726
Total public works	<u>2,155,822</u>	<u>2,155,822</u>	<u>1,955,126</u>	<u>200,696</u>
Health, Welfare and Recreation				
Public Health	128,909	128,909	103,705	25,204
Mental Health	300	300	300	-
Harold Jarrard Park	69,252	85,743	85,743	-
Mikesell/Potts Recreation Area	80,667	80,667	68,107	12,560
Airport Fuel Account	237,609	237,609	105,223	132,386
Family Planning	32,895	32,895	1,929	30,966
1% Sales and Use Tax	1,489,718	1,489,718	880,081	609,637
Total health, welfare and recreation	<u>2,039,350</u>	<u>2,055,841</u>	<u>1,245,088</u>	<u>810,753</u>
Conservation of Natural Resources				
County Agent/Extension	85,849	85,849	81,182	4,667
Total conservation of natural resources	<u>85,849</u>	<u>85,849</u>	<u>81,182</u>	<u>4,667</u>
Capital Outlay	75,000	75,000	-	4,667
Total expenditures	<u>13,417,664</u>	<u>13,549,166</u>	<u>11,706,543</u>	<u>1,772,290</u>
Excess (deficiency) of revenues over expenditures	<u>(8,151,823)</u>	<u>(8,283,325)</u>	<u>(791,071)</u>	<u>3,877,341</u>
Other financing sources (uses)				
Transfers in	-	-	88,411	88,411
Transfers out	-	-	(123,414)	(123,414)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(35,003)</u>	<u>(35,003)</u>
Net change in fund balance	<u>(8,151,823)</u>	<u>(8,283,325)</u>	<u>(826,074)</u>	<u>3,842,338</u>
Fund balance - beginning of year	<u>35,348,428</u>	<u>35,348,428</u>	<u>35,348,428</u>	<u>-</u>
Fund balance - end of year	<u>\$ 27,196,605</u>	<u>\$ 27,065,103</u>	<u>\$ 34,522,354</u>	<u>\$ 3,842,338</u>

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

<b>Primary Government</b>	2022	2021	2020
<b>Public Employees Pension Plan</b>			
Proportion of the net pension liability	0.133911610%	0.134068700%	0.136585600%
Proportionate share of the net pension liability	\$ 2,041,848	\$ 2,913,795	\$ 3,209,661
Covered payroll	\$ 2,437,095	\$ 2,387,049	\$ 2,374,148
Proportionate share of the net pension liability as a percentage of its covered payroll	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%
<b>Law Enforcement Pension Plan</b>			
Proportion of the net pension liability	1.001042900%	0.995030800%	1.038389200%
Proportionate share of the net pension liability	\$ 2,848,353	\$ 677,837	\$ 895,080
Covered payroll	\$ 1,663,045	\$ 1,599,407	\$ 1,618,345
Proportionate share of the net pension liability as a percentage of its covered payroll	171.27%	42.38%	55.31%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	91.82%	89.05%
<b>Component Units - Public Employees' Pension Plan</b>			
<b>County Fair</b>			
Proportion of the net pension liability	0.002745600%	0.004422100%	0.004473900%
Proportionate share of the net pension liability	\$ 41,863	\$ 96,108	\$ 105,133
Covered payroll	\$ 49,968	\$ 78,734	\$ 77,766
Proportionate share of the net pension liability as a percentage of its covered payroll	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%
<b>County Library</b>			
Proportion of the net pension liability	0.013930700%	0.015594700%	0.018604500%
Proportionate share of the net pension liability	\$ 212,404	\$ 338,930	\$ 437,191
Covered payroll	\$ 253,529	\$ 277,659	\$ 323,386
Proportionate share of the net pension liability as a percentage of its covered payroll	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%
<b>Weed and Pest Control</b>			
Proportion of the net pension liability	0.006073900%	0.005846000%	0.006201100%
Proportionate share of the net pension liability	\$ 92,610	\$ 127,055	\$ 145,723
Covered payroll	\$ 110,541	\$ 104,086	\$ 107,788
Proportionate share of the net pension liability as a percentage of its covered payroll	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%

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

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

2019	2018	2017	2016	2015	2014	2013
0.134654900%	0.139737200%	0.142979300%	0.151976404%	0.153421022%	*	*
\$ 4,100,634	\$ 3,185,088	\$ 3,456,525	\$ 3,540,059	\$ 2,707,409	*	*
\$ 2,344,819	\$ 2,482,260	\$ 2,549,185	\$ 2,650,581	\$ 2,622,598	*	*
174.88%	128.31%	135.59%	133.56%	103.23%	*	*
69.17%	76.35%	73.42%	73.40%	79.08%	*	*
1.072151600%	1.053385100%	1.090122100%	1.062815078%	1.059984566%	*	*
\$ 2,595,383	\$ 906,378	\$ 822,954	\$ 798,386	\$ 312,310	*	*
\$ 1,628,584	\$ 1,617,442	\$ 1,687,282	\$ 1,598,471	\$ 1,566,560	*	*
159.36%	56.04%	48.77%	49.95%	19.94%	*	*
71.22%	87.99%	88.11%	87.49%	94.76%	*	*
0.004201400%	0.004200000%	0.004126200%	0.003793950%	0.001675589%	*	*
\$ 127,944	\$ 95,733	\$ 99,751	\$ 88,374	\$ 29,568	*	*
\$ 73,161	\$ 74,608	\$ 73,566	\$ 66,169	\$ 28,643	*	*
174.88%	128.31%	135.59%	133.56%	103.23%	*	*
69.17%	76.35%	73.42%	73.40%	79.08%	*	*
0.020131000%	0.019884600%	0.020454900%	0.020653925%	0.020793498%	*	*
\$ 613,046	\$ 453,237	\$ 494,497	\$ 481,102	\$ 366,941	*	*
\$ 350,552	\$ 353,226	\$ 364,691	\$ 360,220	\$ 355,447	*	*
174.88%	128.31%	135.59%	133.56%	103.23%	*	*
69.17%	76.35%	73.42%	73.40%	79.08%	*	*
0.005849100%	0.007207100%	0.009114000%	0.007650199%	0.005363556%	*	*
\$ 178,121	\$ 164,274	\$ 220,331	\$ 178,200	\$ 94,650	*	*
\$ 101,854	\$ 128,025	\$ 162,494	\$ 133,425	\$ 91,685	*	*
174.88%	128.31%	135.59%	133.56%	103.23%	*	*
69.17%	76.35%	73.42%	73.40%	79.08%	*	*

(Continued)

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

***Component Units - Public Employees' Pension Plan (Continued)***

<b>County Museum</b>	2022	2021	2020
Proportion of the net pension liability	0.006885700%	0.006888200%	0.007866100%
Proportionate share of the net pension liability	\$ 104,987	\$ 149,705	\$ 184,845
Covered payroll	\$ 125,315	\$ 122,642	\$ 136,730
Proportionate share of the net pension liability as a percentage of its covered payroll	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of the total pension liability	86.03%	79.24%	76.83%

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

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

2019	2018	2017	2016	2015	2014	2013
0.062423000%	0.005309800%	0.000000000%	0.000000000%	0.000000000%	*	*
\$ 190,097	\$ 121,028	\$ -	\$ -	\$ -	*	*
\$ 108,701	\$ 94,322	\$ -	\$ -	\$ -	*	*
174.88%	128.31%	0.00%	0.00%	0.00%	*	*
69.17%	76.35%	0.00%	0.00%	0.00%	*	*

## Johnson County, Wyoming

Last 10 fiscal years

**Schedule of Pension Contributions****(Unaudited)**

	2022	2021	2020
<b>Primary Government</b>			
<b>Public Employees Pension Plan</b>			
Statutorily required contribution	\$ 232,352	\$ 219,786	\$ 218,356
Contributions in relation to the statutorily required contribution	(232,352)	(219,786)	(218,356)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,479,744	\$ 2,409,934	\$ 2,461,736
Contributions as a percentage of covered payroll	9.37%	9.12%	8.87%
<b>Law Enforcement Pension Plan</b>			
Statutorily required contribution	\$ 141,555	\$ 141,275	\$ 145,274
Contributions in relation to the statutorily required contribution	(141,555)	(141,275)	(145,274)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,645,988	\$ 1,642,733	\$ 1,689,233
Contributions as a percentage of covered payroll	8.60%	8.60%	8.60%
<b>Component Units - Public Employee's Pension Plan</b>			
<b>County Fair</b>			
Statutorily required contribution	\$ 4,541	\$ 6,239	\$ 7,146
Contributions in relation to the statutorily required contribution	(4,541)	(6,239)	(7,146)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 48,463	\$ 68,410	\$ 80,564
Contributions as a percentage of covered payroll	9.37%	9.12%	8.87%
<b>County Library</b>			
Statutorily required contribution	\$ 22,329	\$ 24,797	\$ 26,669
Contributions in relation to the statutorily required contribution	(22,329)	(24,797)	(26,669)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 238,303	\$ 271,897	\$ 300,665
Contributions as a percentage of covered payroll	9.37%	9.12%	8.87%
<b>Weed and Pest Control</b>			
Statutorily required contribution	\$ 11,002	\$ 9,986	\$ 9,450
Contributions in relation to the statutorily required contribution	(11,002)	(9,986)	(9,450)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 117,417	\$ 109,496	\$ 106,539
Contributions as a percentage of covered payroll	9.37%	9.12%	8.87%
<b>County Museum</b>			
Statutorily required contribution	\$ 12,629	\$ 11,445	\$ 10,228
Contributions in relation to the statutorily required contribution	(12,629)	(11,445)	(10,228)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 134,781	\$ 125,493	\$ 115,310
Contributions as a percentage of covered payroll	9.37%	9.12%	8.87%

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

2019	2018	2017	2016	2015	2014	2013
\$ 204,022	\$ 196,725	\$ 213,443	\$ 220,695	\$ 207,523	*	*
(204,022)	(196,725)	(213,443)	(220,695)	(207,523)	*	*
\$ -	\$ -	\$ -	\$ -	\$ -	*	*
\$ 2,366,845	\$ 2,350,358	\$ 2,550,096	\$ 2,636,738	\$ 2,723,399	*	*
8.62%	8.37%	8.37%	8.37%	7.62%	*	*
\$ 143,894	\$ 142,114	\$ 143,497	\$ 145,537	\$ 143,023	*	*
(143,894)	(142,114)	(143,497)	(145,537)	(143,023)	*	*
\$ -	\$ -	\$ -	\$ -	\$ -	*	*
\$ 1,673,186	\$ 1,652,488	\$ 1,668,570	\$ 1,692,291	\$ 1,663,058	*	*
8.60%	8.60%	8.60%	8.60%	8.60%	*	*
\$ 6,742	\$ 6,434	\$ 6,177	\$ 6,180	\$ 5,463	*	*
(6,742)	(6,434)	(6,177)	(6,180)	(5,463)	*	*
\$ -	\$ -	\$ -	\$ -	\$ -	*	*
\$ 78,213	\$ 76,870	\$ 73,799	\$ 73,835	\$ 71,693	*	*
8.62%	8.37%	8.37%	8.37%	7.62%	*	*
\$ 30,305	\$ 29,339	\$ 29,567	\$ 31,307	\$ 27,694	*	*
(30,305)	(29,339)	(29,567)	(31,307)	(27,694)	*	*
\$ -	\$ -	\$ -	\$ -	\$ -	*	*
\$ 351,566	\$ 350,526	\$ 353,250	\$ 374,038	\$ 363,438	*	*
8.62%	8.37%	8.37%	8.37%	7.62%	*	*
\$ 9,389	\$ 9,479	\$ 12,471	\$ 12,624	\$ 8,486	*	*
(9,389)	(9,479)	(12,471)	(12,624)	(8,486)	*	*
\$ -	\$ -	\$ -	\$ -	\$ -	*	*
\$ 108,921	\$ 113,250	\$ 148,996	\$ 150,824	\$ 111,365	*	*
8.62%	8.37%	8.37%	8.37%	7.62%	*	*
\$ 10,188	\$ 9,395	\$ 2,603	\$ -	\$ -	*	*
(10,188)	(9,395)	(2,603)	-	-	*	*
\$ -	\$ -	\$ -	\$ -	\$ -	*	*
\$ 118,190	\$ 112,246	\$ 31,099	\$ -	\$ -	*	*
8.62%	8.37%	8.37%	8.37%	7.62%	*	*

**Notes to the Required Supplementary Information****Note 1. Budgetary Basis**

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

	<u>General Fund</u>
Revenues	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 10,915,472
Differences - Budgetary Basis to GAAP Basis	
Accrual of property taxes receivable	(322,390)
Accrual of amounts due from other governments	24,453
Accrual of grants receivable	787,345
Reverse payments of principal, and deferred revenue for notes and leases receivable	(30,756)
Accrual of accounts receivable	(757,437)
Record realized and unrealized gain on investments	<u>(1,833,256)</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 8,783,431</u>
Expenditures	
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	\$ 11,706,543
Differences - Budgetary Basis to GAAP Basis	
Accrual of accounts payable	<u>101,206</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 11,807,749</u>

**Notes to the Required Supplementary Information**

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**Note 1. Basis of Budgeting (Continued)**

***Budgetary Information***

The schedule of revenues, expenditures and changes in fund balance – budget and actual presents a comparison of the legally adopted budget with actual data. The County prepares its budget on a cash basis. All budget amendments are approved by the County Commissioners and are presented within the final budget figures.

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

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

- 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 summary of the tentative budget shall be entered into the minutes and the governing body shall publish the summary at least one week before the public hearing to adopt the budget.
- A public hearing is conducted on the third Monday in July to obtain public comments.
- The budget is adopted on the third Monday of July.
- At the request of the County Clerk or upon its own motion after publication of notice, the Board of County Commissioners may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department or account to another. Expenditures cannot exceed appropriations at the department level and any unexpended or unencumbered appropriations lapse at year end.

Formal legally adopted budgets are prepared as a management control device during the year for the General Fund, Special Revenue Funds and Capital Project Funds. Budgets for the General, Special Revenue and Capital Project Funds are adopted on a cash basis (Budgetary). Such basis is not consistent with generally accepted accounting principles (GAAP).

***Budget Amendments***

During the 2022 fiscal year, it was necessary to amend the originally adopted budget. The general fund's general government budget was amended to increase expenditures by \$102,986, the public safety budget was amended to increase expenditures by \$12,025, and the health, welfare, and recreation department's budget was amended to increase expenditures by \$16,491.

***Excess of Expenditures Over Appropriations***

For the year ended June 30, 2022, the General Fund transfers in and transfers out exceeded appropriations by \$84,411 and \$123,414, respectively. This is a violation of Wyoming Statute §16-4-108.

**Notes to the Required Supplementary Information**

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**Note 2. Explanation of Changes to Pension Plans**

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

***Changes to assumptions***– An experience study was conducted on behalf of all WRS’ plans covering the five-year period ending December 31, 2020. That study provided a detailed analysis concerning the development of the long term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g. mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings. For further information on the experience study and related assumption recommendation, the reader is directed to request the December 31, 2020 Wyoming Retirement System Experience Study.



**OTHER  
SUPPLEMENTARY  
INFORMATION**

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## **NONMAJOR GOVERNMENTAL FUNDS**

**E-911 Fund** - To account for the receipts and expenditures of E-911 monies.

**Best Beginnings Grant Fund** - To account for the receipts and expenditure of the Best Beginnings grant from the State of Wyoming.

**Public Health Grants Fund** - To account for the receipts and expenditures of monies received from federal and state sources for public health grants.

**Adult/Juvenile Drug Court Fund** - To account for the receipts and expenditures of monies received from federal and state sources for adult/juvenile drug court.

**TANF/CPI Fund** - To account for the receipts and expenditures of monies received from federal and state sources for TANF/CPI programs.

**Homeland Security Grants Fund** - To account for the receipts and expenditures of monies received from federal and state sources for homeland security.

**OJJDP Grant Fund** - To account for the receipts and expenditures of monies received from federal and state sources for OJJDP grant.

**CDBG Grants Fund** - To account for the receipts and expenditures of monies received from the CDBG grant.

**Charitable Relief Grant Fund** - To account for the receipts and expenditures of monies received from the charitable relief grant.

**Forest Reserve Fund** - To account for the receipts and expenditures of monies received from the Forest Reserve monies.

**Community Juvenile Services Grant Fund** - To account for the receipts and expenditures of monies received from the Community Juvenile Services grant.

**Airport Grants Fund** – To account for the receipts and expenditures of the airport improvement program grant received from federal and state sources.

**Victim Witness Grant Fund** - To account for the receipts and expenditures of monies received from the Victim Witness grant.

**Library Expansion Project Fund** - To account for the receipts and expenditure of monies received to expand the library.

**Justice Center Joint Power Board Fund** - To account for the receipts and expenditures of monies received for the management and maintenance of the Justice Center.

**Combining Balance Sheet - Nonmajor Governmental Funds**

	E-911 Fund	Best Beginnings Grant Fund	Public Health Grants Fund	Adult/Juvenile Drug Court Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 356,723	\$ 24,298	\$ 43,112	\$ 11,002
Receivables	4,870	-	-	-
Due from other governments	-	-	7,985	8,567
Total assets	<u>\$ 361,593</u>	<u>\$ 24,298</u>	<u>\$ 51,097</u>	<u>\$ 19,569</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted				
Special purpose tax	-	-	-	-
E-911 fund	361,593	-	-	-
Federal, state, and local grants	-	24,298	51,097	-
Committed				
Joint Justice Center Building	-	-	-	-
Unassigned				
Total fund balances (deficit)	<u>361,593</u>	<u>24,298</u>	<u>51,097</u>	<u>19,569</u>
Total liabilities and fund balances	<u>\$ 361,593</u>	<u>\$ 24,298</u>	<u>\$ 51,097</u>	<u>\$ 19,569</u>

TANF/CPI Fund	Homeland Security Grants Fund	OJJDP Grant Fund	CDBG Grants Fund	Charitable Relief Grant Fund	Forest Reserve Fund	Community Juvenile Services Grant Fund	Airport Grants Fund
\$ 345	\$ 53,425	\$ 4,945	\$ 8,548	\$ 100	\$ 244,309	\$ 7,562	\$ 244,028
-	-	-	-	-	-	-	-
13,551	-	-	-	-	-	-	-
<u>\$ 13,896</u>	<u>\$ 53,425</u>	<u>\$ 4,945</u>	<u>\$ 8,548</u>	<u>\$ 100</u>	<u>\$ 244,309</u>	<u>\$ 7,562</u>	<u>\$ 244,028</u>
\$ 13,551	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,600
-	-	-	-	-	-	-	-
13,551	-	-	-	-	-	-	2,600
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
345	53,425	-	8,548	100	-	7,562	241,428
-	-	-	-	-	-	-	-
-	-	4,945	-	-	244,309	-	-
<u>345</u>	<u>53,425</u>	<u>4,945</u>	<u>8,548</u>	<u>100</u>	<u>244,309</u>	<u>7,562</u>	<u>241,428</u>
<u>\$ 13,896</u>	<u>\$ 53,425</u>	<u>\$ 4,945</u>	<u>\$ 8,548</u>	<u>\$ 100</u>	<u>\$ 244,309</u>	<u>\$ 7,562</u>	<u>\$ 244,028</u>

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**Combining Balance Sheet - Nonmajor Governmental Funds****(Continued)**

	Victim Witness Grant Fund	Library Expansion Project Fund	Justice Center Joint Powers Board Fund	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 95,055	\$ 1,093,452
Receivables	-	-	-	4,870
Due from other governments	2,585	7,969	-	40,657
Total assets	<u>\$ 2,585</u>	<u>\$ 7,969</u>	<u>\$ 95,055</u>	<u>\$ 1,138,979</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ 16,151
Due to other funds	94	5,847	-	5,941
Total liabilities	<u>94</u>	<u>5,847</u>	<u>-</u>	<u>22,092</u>
Fund balances				
Restricted				
Special purpose tax	-	2,122	-	2,122
E-911 fund	-	-	-	361,593
Federal, state, and local grants	2,491	-	-	389,294
Committed				
Joint Justice Center Building	-	-	95,055	95,055
Unassigned				
Total fund balances (deficit)	<u>2,491</u>	<u>2,122</u>	<u>95,055</u>	<u>1,116,887</u>
Total liabilities and fund balances	<u>\$ 2,585</u>	<u>\$ 7,969</u>	<u>\$ 95,055</u>	<u>\$ 1,138,979</u>

Johnson County, Wyoming

Year Ended June 30, 2022

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

	E-911 Fund	Best Beginnings Grant Fund	Public Health Grants Fund	Adult/ Juvenile Drug Court Fund
<b>Revenues</b>				
Intergovernmental revenues	\$ 85,268	\$ 11,403	\$ 221,207	\$ 52,596
Investment income	-	-	-	-
Miscellaneous revenues	-	-	-	780
Total revenues	<u>85,268</u>	<u>11,403</u>	<u>221,207</u>	<u>53,376</u>
<b>Expenditures</b>				
Current				
Public safety	88,644	-	-	-
Health, welfare and recreation	-	5,526	226,684	57,300
Total expenditures	<u>88,644</u>	<u>5,526</u>	<u>226,684</u>	<u>57,300</u>
Excess (deficiency) of revenues over expenditures	<u>(3,376)</u>	<u>5,877</u>	<u>(5,477)</u>	<u>(3,924)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	29,049
Transfers out	-	-	-	(1,973)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,076</u>
Net change in fund balances	<u>(3,376)</u>	<u>5,877</u>	<u>(5,477)</u>	<u>23,152</u>
Fund balances (deficit) - beginning of year	<u>364,969</u>	<u>18,421</u>	<u>56,574</u>	<u>(3,583)</u>
Fund balances - end of year	<u>\$ 361,593</u>	<u>\$ 24,298</u>	<u>\$ 51,097</u>	<u>\$ 19,569</u>

TANF/CPI Fund	Homeland Security Grants Fund	OJJDP Grant Fund	CDBG Grants Fund	Charitable Relief Grant Fund	Forest Reserve Fund	Community Juvenile Services Grant Fund	Airport Grants Fund
\$ 61,388	\$ 21,616	\$ 4,945	\$ 13,734	\$ -	\$ 29,481	\$ 16,277	\$ 52,016
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
61,388	21,616	4,945	13,734	-	29,481	16,277	52,016
-	22,757	-	-	-	-	-	-
61,388	-	-	13,436	-	20,360	14,448	28,372
61,388	22,757	-	13,436	-	20,360	14,448	28,372
-	(1,141)	4,945	298	-	9,121	1,829	23,644
-	14,300	-	-	-	-	5,123	228
-	-	-	-	-	-	-	(26,200)
-	14,300	-	-	-	-	5,123	(25,972)
-	13,159	4,945	298	-	9,121	6,952	(2,328)
345	40,266	-	8,250	100	235,188	610	243,756
\$ 345	\$ 53,425	\$ 4,945	\$ 8,548	\$ 100	\$ 244,309	\$ 7,562	\$ 241,428

(Continued)

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
(Continued)**

	Victim Witness Grant Fund	Library Expansion Project Fund	Justice Center Joint Powers Board	Totals
<b>Revenues</b>				
Intergovernmental revenues	\$ 47,210	\$ 8,485	\$ 15,000	\$ 640,626
Investment income	-	-	55	55
Miscellaneous revenues	-	-	-	780
<b>Total revenues</b>	<b>47,210</b>	<b>8,485</b>	<b>15,055</b>	<b>641,461</b>
<b>Expenditures</b>				
Current				
Public safety	-	-	35,981	147,382
Health, welfare and recreation	44,244	8,485	-	480,243
<b>Total expenditures</b>	<b>44,244</b>	<b>8,485</b>	<b>35,981</b>	<b>627,625</b>
Excess (deficiency) of revenues over expenditures	2,966	-	(20,926)	13,836
<b>Other financing sources (uses)</b>				
Transfers in	233	-	15,000	63,933
Transfers out	(757)	-	-	(28,930)
<b>Total other financing     sources (uses)</b>	<b>(524)</b>	<b>-</b>	<b>15,000</b>	<b>35,003</b>
Net change in fund balances	2,442	-	(5,926)	48,839
Fund balances (deficit) - beginning of year	49	2,122	100,981	1,068,048
Fund balances - end of year	<b>\$ 2,491</b>	<b>\$ 2,122</b>	<b>\$ 95,055</b>	<b>\$ 1,116,887</b>



**DISCRETELY PRESENTED  
COMPONENT UNITS**

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**Combining Statement of Net Position - Johnson County Library and Library Foundation**

	Johnson County Library	Library Foundation	Total Johnson County Library
<b>ASSETS</b>			
Cash and cash equivalents	\$ 602,856	\$ 216,768	\$ 819,624
Investments	-	658,216	658,216
Due from fiduciary fund	37,326	-	37,326
Property taxes receivable, net of allowance	913,218	-	913,218
Restricted assets			
Cash and cash equivalents	-	8,691	8,691
Investments, restricted by donors	-	1,460,892	1,460,892
Capital assets not being depreciated	84,565	-	84,565
Capital assets being depreciated, net of accumulated depreciation	3,446,897	110,928	3,557,825
Total assets	<u>5,084,862</u>	<u>2,455,495</u>	<u>7,540,357</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	63,412	-	63,412
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	9,233	-	9,233
Due to primary government	13,878	-	13,878
Noncurrent liabilities			
Due within one year	1,875	-	1,875
Due in more than one year	233,034	-	233,034
Total liabilities	<u>258,020</u>	<u>-</u>	<u>258,020</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	325,590	-	325,590
Pension plan items	259,353	-	259,353
Total deferred inflows of resources	<u>584,943</u>	<u>-</u>	<u>584,943</u>
Net position			
Net investment in capital assets	3,524,232	110,928	3,635,160
Restricted for			
Permanent endowment (nonexpendable)	-	1,469,583	1,469,583
Unrestricted	781,079	874,984	1,656,063
Total net position	<u>\$ 4,305,311</u>	<u>\$ 2,455,495</u>	<u>\$ 6,760,806</u>

**Combining Statement of Activities - Johnson County Library and Library Foundation**

	Johnson County Library	Library Foundation	Eliminations	Total Johnson County Library
<b>Revenues</b>				
Property taxes	\$ 1,014,887	\$ -	\$ -	\$ 1,014,887
Motor vehicle fees	62,890	-	-	62,890
Intergovernmental revenues	20,000	-	-	20,000
Contributions from donors	10,019	-	-	10,019
Charges for services	7,135	-	-	7,135
Miscellaneous revenues	1,539	58,380	-	59,919
Investment income (loss)	372	(27,227)	-	(26,855)
Total revenues	<u>1,116,842</u>	<u>31,153</u>	<u>-</u>	<u>1,147,995</u>
<b>Expenses</b>				
Health, welfare and recreation	<u>575,630</u>	<u>39,118</u>	<u>-</u>	<u>614,748</u>
Total expenses	<u>575,630</u>	<u>39,118</u>	<u>-</u>	<u>614,748</u>
Excess (deficiency) of revenue over expenditures	<u>541,212</u>	<u>(7,965)</u>	<u>-</u>	<u>533,247</u>
<b>Other financing sources (uses)</b>				
Transfers in	38,858	-	(38,858)	-
Transfers out	<u>-</u>	<u>(38,858)</u>	<u>38,858</u>	<u>-</u>
Total other financing sources (uses)	<u>38,858</u>	<u>(38,858)</u>	<u>-</u>	<u>-</u>
Change in net position	580,070	(46,823)	-	533,247
Net position - beginning of year	<u>3,725,241</u>	<u>2,502,318</u>	<u>-</u>	<u>6,227,559</u>
Net position - end of year	<u>\$ 4,305,311</u>	<u>\$ 2,455,495</u>	<u>\$ -</u>	<u>\$ 6,760,806</u>

**Combining Statement of Net Position - Johnson County Museum and Gatchell Museum Association**

	Johnson County Museum	Gatchell Museum Association	Total Johnson County Museum
<b>ASSETS</b>			
Cash and cash equivalents	\$ 249,997	\$ 23,682	\$ 273,679
Investments	-	1,245,869	1,245,869
Receivables	5,115	-	5,115
Due from fiduciary fund	16,433	-	16,433
Inventories	40,789	-	40,789
Property taxes receivable, net of allowance	354,703	-	354,703
Capital assets being depreciated, net of accumulated depreciation	147,929	-	147,929
Total assets	<u>814,966</u>	<u>1,269,551</u>	<u>2,084,517</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	36,807	-	36,807
<b>LIABILITIES</b>			
Noncurrent liabilities			
Due in more than one year	111,591	-	111,591
Total liabilities	<u>111,591</u>	<u>-</u>	<u>111,591</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	185,917	-	185,917
Pension plan items	96,205	-	96,205
Total deferred inflows of resources	<u>282,122</u>	<u>-</u>	<u>282,122</u>
<b>NET POSITION</b>			
Net investment in capital assets	147,929	-	147,929
Unrestricted	310,131	1,269,551	1,579,682
Total net position	<u>\$ 458,060</u>	<u>\$ 1,269,551</u>	<u>\$ 1,727,611</u>

**Combining Statement of Activities - Johnson County Museum and Gatchell Museum Association**

	Johnson County Museum	Gatchell Museum Association	Eliminations	Total Johnson County Museum
<b>Revenues</b>				
Property taxes	\$ 334,101	\$ -	\$ -	\$ 334,101
Motor vehicle fees	28,719	-	-	28,719
Intergovernmental revenues	10,499	-	-	10,499
Contributions from donors	101,516	12,405	-	113,921
Charges for services	81,436	16,713	-	98,149
Miscellaneous	1,262	62	-	1,324
Investment income (loss)	(7,020)	242,735	-	235,715
<b>Total revenues</b>	<b>550,513</b>	<b>271,915</b>	<b>-</b>	<b>822,428</b>
<b>Expenses</b>				
Health, welfare and recreation	356,835	25,801	-	382,636
<b>Total expenses</b>	<b>356,835</b>	<b>25,801</b>	<b>-</b>	<b>382,636</b>
<b>Excess of revenue over expenditures</b>	<b>193,678</b>	<b>246,114</b>	<b>-</b>	<b>439,792</b>
<b>Other financing sources (uses)</b>				
Transfers in	63,765	-	(63,765)	-
Transfers out	-	(63,765)	63,765	-
<b>Total other financing sources (uses)</b>	<b>63,765</b>	<b>(63,765)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>257,443</b>	<b>182,349</b>	<b>-</b>	<b>439,792</b>
<b>Net position - beginning of year</b>	<b>200,617</b>	<b>1,087,202</b>	<b>-</b>	<b>1,287,819</b>
<b>Net position - end of year</b>	<b>\$ 458,060</b>	<b>\$ 1,269,551</b>	<b>\$ -</b>	<b>\$ 1,727,611</b>

**Combining Statement of Net Position - Johnson County Fair and Fair Foundation**

	Johnson County Fair	Fair Foundation	Total Johnson County Fair
<b>ASSETS</b>			
Cash and cash equivalents	\$ 227,159	\$ 67,599	\$ 294,758
Investments	350,000	-	350,000
Receivables	328	6,100	6,428
Due from fiduciary fund	29,193	-	29,193
Property taxes receivable, net of allowance	584,196	-	584,196
Capital assets not being depreciated	64,455	-	64,455
Capital assets being depreciated, net of accumulated depreciation	1,342,466	-	1,342,466
Total assets	<u>2,597,797</u>	<u>73,699</u>	<u>2,671,496</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	15,124	-	15,124
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	18,290	1,686	19,976
Noncurrent liabilities			
Due in more than one year	41,863	-	41,863
Total liabilities	<u>60,153</u>	<u>1,686</u>	<u>61,839</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable property tax revenue	292,700	-	292,700
Pension plan items	72,084	-	72,084
Total deferred inflows of resources	<u>364,784</u>	<u>-</u>	<u>364,784</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,406,921	-	1,406,921
Unrestricted	781,063	72,013	853,076
Total net position	<u>\$ 2,187,984</u>	<u>\$ 72,013</u>	<u>\$ 2,259,997</u>

**Combining Statement of Activities - Johnson County Fair and Fair Foundation**

	Johnson County Fair	Fair Foundation	Eliminations	Total Johnson County Fair
Revenues				
Property taxes	\$ 605,361	\$ -	\$ -	\$ 605,361
Motor vehicle taxes	42,000	-	-	42,000
Intergovernmental revenues	90,690	-	-	90,690
Contributions from donors	-	43,599	-	43,599
Charges for services	144,326	20,253	-	164,579
Miscellaneous revenues	858	-	-	858
Investment income	48	-	-	48
Total revenues	<u>883,283</u>	<u>63,852</u>	<u>-</u>	<u>947,135</u>
Expenses				
Health, welfare and recreation	453,691	49,899	-	503,590
Total expenses	<u>453,691</u>	<u>49,899</u>	<u>-</u>	<u>503,590</u>
Excess of revenues over expenditures	<u>429,592</u>	<u>13,953</u>	<u>-</u>	<u>443,545</u>
Change in net position	429,592	13,953	-	443,545
Net position - beginning of year	<u>1,758,392</u>	<u>58,060</u>	<u>-</u>	<u>1,816,452</u>
Net position - end of year	<u>\$ 2,187,984</u>	<u>\$ 72,013</u>	<u>\$ -</u>	<u>\$ 2,259,997</u>



**COMPLIANCE  
INFORMATION**

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Johnson County, Wyoming  
For the Year Ended June 30, 2022  
**Schedule of Expenditures of Federal Awards**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<i>U S Department of Justice</i>			
Passed through Wyoming Office of Attorney General, Division of Victim Services			
Crime Victim Assistance	16.575	2020-V2-GX-0016	\$ 9,277
Total U S Department of Justice			<u>9,277</u>
<i>U S Department of Transportation</i>			
Passed through Wyoming Department of Transportation			
COVID-19 - Airport Improvement Program	20.106	3-56-0003-022-2021	13,000
COVID-19 - Airport Improvement Program	20.106	3-56-0003-023-2021	18,200
Total Airport Improvement Program			<u>31,200</u>
<i>Highway Planning and Construction Cluster</i>			
Highway Planning and Construction	20.205	CM21408	426,742
Total Highway Planning and Construction Cluster			<u>426,742</u>
			<u>457,942</u>
<i>U S Department of Treasury</i>			
Passed through the Wyoming Department of Health			
COVID-19 - Coronavirus Relief Fund	21.019	Unknown	59,699
Total COVID-19 - Coronavirus Relief Fund			<u>59,699</u>
Direct			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,640,342
Total U S Department of Treasury			<u>1,700,041</u>
<i>U S Department of Health and Human Services</i>			
Passed through the Wyoming Department of Health			
Public Health Emergency Preparedness	93.069	CDC-RFA-TP19-1901-01	9,600
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	93.243	Unknown	37,488
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	Unknown	13,458

(Continued)

**Schedule of Expenditures of Federal Awards (Continued)**

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
<i>U S Department of Health and Human Services (Continued)</i>			
Passed through the Wyoming Department of Health (Continued)			
COVID-19 - Public Health Emergency Response:			
Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	CDC-RFA-TP18-1802	\$ 34,427
National and State Tobacco Control Program	93.387	Unknown	9,238
Temporary Assistance for Needy Families	93.558	Unknown	3,600
Passed through the Wyoming Department of Family Services			
Temporary Assistance for Needy Families	93.558	Unknown	48,953
Total Temporary Assistance for Needy Families			52,553
Passed through the Wyoming Department of Health			
<i>Head Start Cluster</i>			
Head Start	93.600	Unknown	3,094
Total Head Start Cluster			3,094
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Unknown	26,580
Total U S Department of Health and Human Services			186,438
<i>U S Department of Homeland Security</i>			
Passed through State of Wyoming Office of Homeland Security			
Emergency Management Performance Grants	97.042	20-EMPG-JOH-GFC20	37,968
Homeland Security Grant Program	97.067	17-SHSP-JOH-HSG17	4,827
Homeland Security Grant Program	97.067	21-SHSP-JOH-CYB	17,930
Total Homeland Security Program			22,757
Total U S Department of Homeland Security			60,725
Total Expenditures of Federal Awards			\$ 2,414,423

**Notes to the Schedule of Expenditures of Federal Awards**

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**Note 1. Johnson County Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Johnson County, Wyoming under programs of the federal government for the year ended June 30, 2022. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Johnson County, Wyoming, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Johnson County, Wyoming.

**Note 2. Summary of Significant Accounting Policies**

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

No federal financial assistance has been provided to a subrecipient.

**Note 3. Indirect Cost Rate**

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

**Note 4. Payment in Lieu of Taxes (PILT) – Federal Assistance Listing Number 15.226**

To compensate local taxing units for the loss of taxes from Federally-owned and acquired lands, the Office of the Secretary, Department of the Interior makes direct payments to local governments that lost real property taxes because the jurisdiction contains eligible acres of PILT entitlement land under public law 97-258, as amended, 31 U.S.C. 6901-6907. Payments are unrestricted as to use by local governments and the program is excluded from coverage under Uniform Guidance. Consequently, the program has been excluded from the Schedule of Expenditures of Federal Awards and the determination of major programs as there is no expenditure or other requirements for the entitlement program. During the fiscal year ended June 30, 2022, the County recognized \$1,214,068 of PILT entitlement as income.

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

**INDEPENDENT AUDITOR'S REPORT**

Board of County Commissioners  
Johnson County, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Wyoming, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Johnson County, Wyoming's basic financial statements and have issued our report thereon dated March 31, 2023

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Johnson County, Wyoming'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 Johnson County, Wyoming's internal control. Accordingly, we do not express an opinion on the effectiveness of Johnson County, Wyoming's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002 and 2022-003 that we consider to be material weaknesses.



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Casper, WY 82601

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

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

We noted certain matters we have reported to management of Johnson County, Wyoming in a separate letter dated March 31, 2023.

### ***Johnson County, Wyoming's Response to Findings***

*Government Auditing Standards* requires the auditor to perform limited procedures on Johnson County, Wyoming's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Johnson County, Wyoming'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 responses.

### ***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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Johnson County, Wyoming's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
March 31, 2023

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

***INDEPENDENT AUDITOR'S REPORT***

Board of County Commissioners  
Johnson County, Wyoming

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

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

We have audited Johnson County, Wyoming's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Johnson County, Wyoming's major federal program for the year ended June 30, 2022. Johnson County, Wyoming's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Johnson County, Wyoming complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

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

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



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

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

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control Over Compliance

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

Our consideration of 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 purposes.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
March 31, 2023

**Schedule of Findings and Questioned Costs**

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**Section I Summary of Auditor's Results**

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***Financial Statements***

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

Internal control over financial reporting:

Material weaknesses identified? Yes  
 Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major federal programs:

Material weaknesses identified? No  
 Significant deficiencies identified? None reported

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

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

Identification of major programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee? No

(Continued)

**Schedule of Findings and Questioned Costs (Continued)**

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**Section II      Financial Statement Findings**

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**Internal Control Matters**

**Material Weaknesses in Internal Control Over Financial Reporting**

**2022-001**

**Material Audit Adjustments**

***Criteria***

Strong internal controls require personnel to be responsible and capable of financial record keeping and reporting.

***Condition***

The County, including the component unit personnel, were unable to identify all balances and necessary adjustments which were significant to the financial records and financial statements. Material audit adjustments were required to present the financial statements from being materially misstated in accordance with accounting principles generally accepted in the United States (GAAP).

***Cause***

Personnel are relying primarily on the budgetary basis of accounting without full consideration of all adjustments required for GAAP reporting.

***Effect or potential effect***

Significant journal entries were posted in the following areas:

- Cash and cash equivalents
- Investments
- Prepaid items
- Property taxes receivable and related items
- Receivables, net of allowance
- Lease receivable
- Accounts payable
- Due to other governments - specific purpose sales and use taxes
- Fiduciary Fund – due to other taxing units, custodial additions, and custodial deductions
- Pension liability, deferred inflows, and outflows for pension plan items
- Weed and Pest – accounts receivable and accounts payable
- Fund balance and net position
- Transfers in and out
- Activity of the Airport and Justice Center JPB

These journal entries were required to correct the balances for governmental funds financial statements, government wide financial statements, and the Statement of Fiduciary Net Position. While these entries are not part of the assessment of budgetary compliance, they do include balances that are significant to the financial information.

**Schedule of Findings and Questioned Costs (Continued)**

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**Section II Financial Statement Findings (Continued)**

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**Internal Control Matters (Continued)**

**Material Weaknesses in Internal Control Over Financial Reporting (Continued)**

**2022-001**

**Material Audit Adjustments (Continued)**

***Recommendation***

In our judgment, management and those charged with governance need to consider the procedures needed to ensure that complete and accurate financial information is available and evaluated in a timely manner to properly record transactions in accordance with GAAP.

***Views of Responsible Officials***

See Corrective Action Plan.

**2022-002**

**Schedule of Expenditures of Federal Awards**

***Criteria***

The County is responsible for the preparation of the schedule of expenditures of federal awards (SEFA) in accordance with Uniform Guidance §200.510(b) and for determining if a single audit is required based upon meeting or exceeding the threshold of expending \$750,000 or more in Federal awards during the year. At a minimum the schedule must include the following items:

List individual federal programs by federal agency. For a cluster of programs, provide the cluster name, list individual federal programs within the cluster of programs, and provide the applicable federal agency name.

- 1) For federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- 2) Provide total federal awards expended for each individual federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- 3) Include the total amount provided to subrecipients from each federal program.
- 4) For loan and loan guarantees programs described in §200.502 basis for determining federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total federal awards expended for loan or loan guarantee programs in the schedule.
- 5) Include notes that describe the significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) Costs.

**Schedule of Findings and Questioned Costs (Continued)**

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**Internal Control Matters (Continued)**

**Material Weaknesses in Internal Control Over Financial Reporting (Continued)**

**2022-002**

**Schedule of Expenditures of Federal Awards (Continued)**

***Condition***

The County's system of internal control is lacking a mechanism to reconcile federal expenditures reported on the SEFA. Audit procedures revealed that the schedule did not properly differentiate expenditures of federal awards from expenditures from state and other non-federal agencies.

***Cause***

Grants within the County are administered by a variety of individuals with wide differences in knowledge and experience. While many individuals maintain records of grant awards and the associated expenditures, no system is in place to readily provide the data necessary to accumulate all federal expenditures for preparing the SEFA.

***Effect or potential effect***

The inaccuracy of the expenditures from the summary of federal grant expenditures could result in inaccurate reporting and an incorrect determination of the single audit requirement under Uniform Guidance.

***Recommendation***

All grant managers should provide a copy of all grant award documents to the individual who has the responsibility for preparation of the schedule of federal awards. At the time the grant award is received, we recommend the trial balance software is utilized to clearly identify all federal expenditures for each grant separately from state or local funds associated with any projects. Accounts may be established for each individual federal funding stream of expenditures based upon account codes. A listing should be maintained which contains the basic information for each grant, including the name of the federal program, the federal assistance listing number, the period covered by the award, pass-through entity and identifying number from the pass-through entity, key account numbers associated with the grant, and the name and contact information for the individual responsible for management of the award. At the end of each year, a report can then be developed which will automatically accumulated the grant expenditures associated with each grant award on the listing. In addition, we recommend that the schedule is compared to the prior year schedule of federal expenditures for completeness and be reviewed by an individual not responsible for the preparation of the SEFA.

***Views of responsible officials***

See Corrective Action Plan.

**Schedule of Findings and Questioned Costs (Continued)**

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**Section II Financial Statement Findings (Continued)**

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**Internal Control Matters (Continued)**

**Material Weaknesses in Internal Control Over Financial Reporting (Continued)**

**2022-003**

**Preparation of Financial Statements**

***Criteria***

The Government Accountability Office requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Condition***

The County and the County's component units do not regularly prepare financial statements in accordance with GAAP and therefore the accounting personnel and those charged with governance, in the course of their assigned duties, lack the specific skills and experience to prepare the GAAP basis financial statement and footnotes.

***Cause***

The County and component units regularly prepare budgetary basis financial reports. However, the budgetary basis differs significantly from GAAP. Preparing financial statements in accordance with GAAP requires specialized skills and experience that are nonessential for the day-to-day accounting. The County and County's component unit personnel have adequate skills for the daily accounting, but simply are less familiar with the complexities of governmental accounting standards. In our judgement, the accounting personnel would need additional training and experience to prepare the annual financial statement and related footnotes in accordance GAAP.

***Effect***

The completeness of the financial statement disclosures and accuracy of the overall financial statement presentation would be enhanced if management had a general understanding of governmental accounting standards. With limited understanding, the financial statements may include undetected errors and irregularities or omit information which is important to the readers of the financial statements.

***Recommendation***

We recommend the financial staff attend training to enhance their understanding of governmental GAAP basis financial reporting and disclosures. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff is necessary to obtain a complete and adequate understanding of the annual financial report. The County and the component unit management may consider and implement additional internal control procedures to ensure the accuracy or preparation of financial records and annual financial statements.

**Schedule of Findings and Questioned Costs (Continued)**

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**Section II      Financial Statement Findings (Continued)**

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**Internal Control Matters (Continued)**

**Material Weaknesses in Internal Control Over Financial Reporting (Continued)**

**2022-003**

**Preparation of Financial Statements (Continued)**

*Views of Responsible Officials*

See Corrective Action Plan.

*Compliance Findings*

None reported.

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**Section III      Federal Award Findings and Questioned Costs**

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None reported

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# JOHNSON COUNTY CLERK

**Jackie Camino**



Jane Carr  
Chief-Deputy

Pearl Pearson  
Assistant Deputy-Vault

Taylor Klaahsen  
Assistant Deputy

## **Schedule of Prior Audit Findings**

### **2021-001**

#### **Material Audit Adjustments**

The County, including the component unit personnel, were not able to identify all balances and necessary adjustments which were significant to the financial records and financial statements. Material audit adjustments were required to present the financial statements from being materially misstated in accordance with generally accepted accounting principles accepted in the United States (GAAP).

#### ***Status***

This finding has been repeated.

### **2021-002**

#### **Schedule of Expenditures of Federal Awards**

The County's system of internal control is lacking a mechanism to reconcile federal expenditures reported on the SEFA. Audit procedures revealed that the schedule did not properly differentiate expenditures of federal awards from expenditures from state and other non-federal agencies.

#### ***Status***

This finding has been repeated.

### **2021-003**

#### **Preparation of Financial Statements**

The County and the County's component units do not regularly prepare financial statements in accordance with GAAP and therefore the accounting personnel and those charged with governance, in the course of their assigned duties, lack the specific skills and experience to prepare the GAAP basis financial statement and footnotes.

#### ***Status***

This finding has been repeated.



# JOHNSON COUNTY CLERK

**Jackie Camino**



Jane Carr  
Chief-Deputy

Pearl Pearson  
Assistant Deputy-Vault

Taylor Klaahsen  
Assistant Deputy

## **Schedule of Prior Audit Findings (Continued)**

**2021-004**

### **Material Noncompliance and Material Weakness in Internal Control**

The County lacked a process to review the computations of costs applied to a grant award to verify accuracy of the accounts. The County was therefore reimbursed for less costs than were incurred. The County also lacked a process to review supporting documentation of amounts provided to charitable organizations to determine the funds provided to the charitable organizations were in fact used for allowable costs as permitted by the grant award.

#### ***Status***

This finding has been corrected.



# JOHNSON COUNTY CLERK

**Jackie Camino**



Jane Carr  
Chief-Deputy

Pearl Pearson  
Assistant Deputy-Vault

Taylor Klaahsen  
Assistant Deputy

## **Corrective Action Plan**

### **Section II Financial Statement Findings**

#### **Finding – 2022-001 – Material Audit Adjustments**

**Name of Contact Person – Jackie Camino, County Clerk**

##### ***Corrective Action Plan***

Staff will continue to review and upgrade internal policies and procedures to ensure accurate internal controls are being followed, as well as the timely manner of recording transactions, back up of transactions, and any requirements in accordance with GAAP and the State of Wyoming. Staff will also continue to participate in training to better understand the GAAP requirements and internal controls, as well as the overall functions and duties of the department. The Treasurer's Office as well as the Clerk's Office will work diligently to understanding the requirements.

Additionally, the County will consider soliciting the use of an external accounting firm to bridge the gap between the budgetary basis of accounting and GAAP requirements.

Proposed completion date: June 30, 2023.

#### **Finding – 2022-002 – Schedule of Expenditures of Federal Awards**

**Name of Contact Person – Jackie Camino, County Clerk**

##### ***Corrective Action Plan***

The County will continue to refine the process for identifying and tracking federal grant expenditures. The County will consider using the external accountant to review and assist in the verification of the amounts reported on the SEFA.

Proposed completion date: June 30, 2023.

#### **Finding – 2022-003 – Preparation of Financial Statements**

**Name of Contact Person – Jackie Camino, County Clerk**

##### ***Corrective Action Plan***

While the County understands the requirement, the County does not see a significant value from the technical compliance with this statement. The County feels that there is no justifiable benefit to employ a certified public accountant for the sole purpose of converting the County's budgetary basis reporting to the GAAP based annual financial statement. The County's accounting personnel have the skills and understand the County's finances to find and correct material misstatements on the budgetary basis. The lack of familiarity with all required disclosures for formal financial reporting in accordance with GAAP reflects more on the esoteric nature of many required disclosures than the management/oversight capabilities of the County's personnel.

Proposed completion date: June 30, 2023.