



PARK COUNTY

CODY, WYOMING

Basic Financial Statements

June 30, 2020

(With Independent Auditors' Report Thereon)

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the County Commissioners
Park County
Cody, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Park County, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it an essential part of the financial reporting for placing the basic financial statements in the appropriate operations, economic, or historical context, as stated above. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park County's basic financial statements. The introductory section, combining statement of net position – component units, and combining statement of activities – component units are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The combining and individual component unit financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,

the combining and individual component unit financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated February 9, 2021, on our consideration of Park County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and not to provide an opinion on the internal control over financial reporting. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park County's internal control over financial reporting and compliance.

Caver Florek & James, CPAs

February 9, 2021
Sheridan, Wyoming

BASIC FINANCIAL STATEMENTS

PARK COUNTY
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government			
	Governmental Activities	Business- Type Activities	Total	Component Units
<u>ASSETS</u>				
Cash and cash equivalents	\$ 15,464,776	\$ 4,211,057	\$ 19,675,833	\$ 1,091,980
Restricted cash and cash equivalents	4,416,021	-	4,416,021	112,658
Investments	3,900,774	792,654	4,693,428	-
Receivables:				
Accounts receivable	80,945	173,472	254,417	93,552
Taxes receivable	328,318	-	328,318	-
Intergovernmental	1,627,689	-	1,627,689	-
Prepays	108,211	-	108,211	20,083
Inventories	1,123,208	-	1,123,208	160,357
Internal balances	88,799	(88,799)	-	-
Capital assets:				
Non-depreciable	4,556,321	68,214	4,624,535	1,263,492
Depreciable, net of accumulated depreciation	50,383,449	2,012,488	52,395,937	1,153,952
Total assets	<u>82,078,511</u>	<u>7,169,086</u>	<u>89,247,597</u>	<u>3,896,074</u>
Deferred outflows of resources - pensions	<u>2,459,931</u>	<u>41,892</u>	<u>2,501,823</u>	<u>180,363</u>
<u>LIABILITIES</u>				
Accounts payable	430,949	18,176	449,125	47,910
Accrued liabilities	405,367	19,962	425,329	111
Deferred revenue	50,000	-	50,000	-
Incurred but not reported claims payable	517,000	-	517,000	-
Long-term liabilities:				
Due within one year	143,331	9,596	152,927	88,268
Due in more than one year	338,786	3,478,650	3,817,436	-
Net pension liability	8,763,221	411,994	9,175,215	1,800,523
Total liabilities	<u>10,648,654</u>	<u>3,938,378</u>	<u>14,587,032</u>	<u>1,936,812</u>
Deferred inflows of resources - pensions	<u>3,345,378</u>	<u>69,598</u>	<u>3,414,976</u>	<u>304,162</u>
<u>NET POSITION</u>				
Net invested in capital assets	54,939,770	2,080,702	57,020,472	2,417,444
Restricted for:				
Public safety	227,991	-	227,991	-
County roads	5,064,510	-	5,064,510	-
Library	-	-	-	112,658
Unrestricted	<u>10,312,139</u>	<u>1,122,300</u>	<u>11,434,439</u>	<u>(694,639)</u>
Total net position	<u>\$ 70,544,410</u>	<u>\$ 3,203,002</u>	<u>\$ 73,747,412</u>	<u>\$ 1,835,463</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

	<u>Net (Expense) Revenues and Changes in Net Position</u>							
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary Government</u>			<u>Component Units</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
PRIMARY GOVERNMENT								
Governmental activities:								
General government	\$ 10,692,465	\$ 1,866,432	\$ -	\$ -	\$ (8,826,033)	\$ -	\$ (8,826,033)	
Public works	6,430,315	61,546	46,663	323,299	(5,998,807)	-	(5,998,807)	
Public safety	8,386,954	204,769	167,804	11,021	(8,003,360)	-	(8,003,360)	
Health services	661,409	173,801	896,471	-	408,863	-	408,863	
Total governmental activities	<u>26,171,143</u>	<u>2,306,548</u>	<u>1,110,938</u>	<u>334,320</u>	<u>(22,419,337)</u>	<u>-</u>	<u>(22,419,337)</u>	
Business-type activities:								
Landfill	1,629,609	1,998,811	-	-	-	369,202	369,202	
Total primary government	<u>\$ 27,800,752</u>	<u>\$ 4,305,359</u>	<u>\$ 1,110,938</u>	<u>\$ 334,320</u>	<u>(22,419,337)</u>	<u>369,202</u>	<u>(22,050,135)</u>	
COMPONENT UNITS								
Component units	<u>\$ 4,024,528</u>	<u>\$ 948,483</u>	<u>\$ 266,881</u>	<u>\$ -</u>				<u>\$ (2,809,164)</u>
General revenues:								
Taxes:								
Property and PILT					11,329,496	-	11,329,496	2,739,296
County road					866,473	-	866,473	-
E-911					144,774	-	144,774	-
Sales and use					4,546,108	-	4,546,108	-
Severance					920,040	-	920,040	-
Gasoline					1,358,023	-	1,358,023	-
Motor vehicle					1,415,709	-	1,415,709	-
Forest reserve					670,085	-	670,085	-
Lodging					176,010	-	176,010	-
Interest and investment income					230,741	60,452	291,193	12,249
Transfers, net					89,000	(89,000)	-	-
Unrealized gain (loss) on investments, net					25,450	3,682	29,132	-
Other income					251,556	-	251,556	27,414
Total general revenues					<u>22,023,465</u>	<u>(24,866)</u>	<u>21,998,599</u>	<u>2,778,959</u>
Change in net position					<u>(395,872)</u>	<u>344,336</u>	<u>(51,536)</u>	<u>(30,205)</u>
Net position - beginning					<u>70,940,282</u>	<u>2,858,666</u>	<u>73,798,948</u>	<u>1,865,668</u>
Net position - ending					<u>\$ 70,544,410</u>	<u>\$ 3,203,002</u>	<u>\$ 73,747,412</u>	<u>\$ 1,835,463</u>

The notes to financial statements are an integral part of this statement.

**PARK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020**

	<u>Major Governmental Funds</u>			Total Governmental Funds
	General Fund	County Road Construction Fund	E-911	
<u>ASSETS</u>				
Cash and cash equivalents	\$ 14,361,891	\$ -	\$ 237,124	\$ 14,599,015
Restricted cash and cash equivalents	-	4,416,021	-	4,416,021
Investments	3,298,964	601,810	-	3,900,774
Receivables:				
Accounts receivable	80,067	878	-	80,945
Taxes receivable	272,086	45,801	10,431	328,318
Intergovernmental	1,627,689	-	-	1,627,689
Due from other funds	94,005	-	-	94,005
Prepays	85,358	-	22,853	108,211
Inventories	1,123,208	-	-	1,123,208
Total assets	<u>\$ 20,943,268</u>	<u>\$ 5,064,510</u>	<u>\$ 270,408</u>	<u>\$ 26,278,186</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 416,591	\$ -	\$ 14,358	\$ 430,949
Accrued liabilities	405,367	-	-	405,367
Deferred revenue	50,000	-	-	50,000
Due to other funds	-	-	5,206	5,206
Total liabilities	<u>871,958</u>	<u>-</u>	<u>19,564</u>	<u>891,522</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	833,950	-	-	833,950
Total deferred inflows of resources	<u>833,950</u>	<u>-</u>	<u>-</u>	<u>833,950</u>
<u>FUND BALANCE</u>				
Nonspendable	1,208,566	-	22,853	1,231,419
Restricted for:				
Public safety	-	-	227,991	227,991
County roads	-	5,064,510	-	5,064,510
Unassigned	18,028,794	-	-	18,028,794
Total fund balance	<u>19,237,360</u>	<u>5,064,510</u>	<u>250,844</u>	<u>24,552,714</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,943,268</u>	<u>\$ 5,064,510</u>	<u>\$ 270,408</u>	<u>\$ 26,278,186</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total fund balance for government funds \$ 24,552,714

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. Asset cost and accumulated depreciation is as follows:

Asset cost	260,558,118	
Accumulated depreciation	<u>(205,618,348)</u>	
		54,939,770

Deferred revenues - Revenues that do not provide current financial resources are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. Such revenues amounted to: 833,950

The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position but are not reported in the fund balance of the governmental funds. The net position of the internal service fund amounted to: 348,761

The assets and liabilities of the government-wide statement of net position include certain deferred outflows and inflows related to pensions and the net pension liability from governmental activities which do not require the use of current financial resources and are therefore excluded from the governmental fund balance sheet, such pension activities at year end consist of:

Deferred outflows related to pensions	2,459,931	
Net pension liability	(8,763,221)	
Deferred inflows related to pensions	<u>(3,345,378)</u>	
		(9,648,668)

Other long-term liabilities that pertain to governmental activities are not due and payable in the current period and therefore are not reported as government fund liabilities. Other long-term liabilities at year-end consist of:

Compensated absences	<u>(482,117)</u>
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Total net position of governmental activities \$ 70,544,410

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	Major Governmental Funds			Total Governmental Funds
	General Fund	County Road Construction Fund	E-911	
<u>REVENUES</u>				
Intergovernmental	\$ 3,892,085	\$ -	\$ -	\$ 3,892,085
Charges for services	1,393,212	-	-	1,393,212
Lease/rental	755,783	-	-	755,783
Taxes	17,728,774	848,877	144,774	18,722,425
License and permits	67,522	-	-	67,522
Interest income	229,590	64,275	273	294,138
Other income	98,798	-	-	98,798
Total revenues	24,165,764	913,152	145,047	25,223,963
<u>EXPENDITURES</u>				
General government	10,084,195	-	-	10,084,195
Public works	5,115,695	249,011	-	5,364,706
Public safety	7,797,115	-	165,764	7,962,879
Health services	647,887	-	-	647,887
Total expenditures	23,644,892	249,011	165,764	24,059,667
Excess of (deficiency of) revenues over (under) expenditures	520,872	664,141	(20,717)	1,164,296
<u>OTHER FINANCING SOURCES (USES)</u>				
Net unrealized increase (decrease) in fair value of investments	21,994	3,456	-	25,450
Transfers in (out), net	89,000	-	-	89,000
Total other financing sources (uses)	110,994	3,456	-	114,450
Net change in fund balances	631,866	667,597	(20,717)	1,278,746
FUND BALANCE - BEGINNING	18,605,494	4,396,913	271,561	23,273,968
FUND BALANCE - ENDING	\$ 19,237,360	\$ 5,064,510	\$ 250,844	\$ 24,552,714

The notes to financial statements are an integral part of this statement.

PARK COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

Net change in fund balance - total governmental funds \$ 1,278,746

Amounts reported for governmental activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:

Capital outlays	2,901,012	
Loss on disposal of asset	(95,118)	
Depreciation expense	<u>(4,523,424)</u>	(1,717,530)

The pension expense reported in the district-wide statement of activities does not require the use of current financial resources and therefore is not reported as an expense in governmental funds. (868,757)

The internal service fund is used to charge the costs of health claims and services to individual funds. The change in net position of internal service funds is reported within the governmental statement of activities. 429,821

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in government funds. 524,649

Some expenses reported in the statement of activities do not require current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	<u>(42,801)</u>
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Change in net position of governmental activities \$ (395,872)

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Landfill	Internal Service Fund
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,211,057	\$ 865,761
Investments	792,654	-
Accounts receivable	173,472	-
Total current assets	5,177,183	865,761
Noncurrent assets:		
Capital assets, not being depreciated	68,214	-
Capital assets, net of accumulated depreciation	2,012,488	-
Total assets	7,257,885	865,761
Deferred outflows - pension	41,892	-
<u>LIABILITIES</u>		
Current liabilities:		
Account payable	18,176	-
Accrued liabilities	19,962	-
Due to other funds	88,799	-
Current portion of compensated absences	9,596	-
Incurred but not reported claims payable	-	517,000
Noncurrent liabilities:		
Compensated absences	24,371	-
Closure/post closure liability	3,454,279	-
Net pension liability	411,994	-
Total liabilities	4,027,177	517,000
Deferred inflows - pension	69,598	-
<u>NET POSITION</u>		
Investment in capital assets	2,080,702	-
Unrestricted	1,122,300	348,761
Total net position	\$ 3,203,002	\$ 348,761

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Landfill	Internal Service Fund
<u>OPERATING REVENUES</u>		
Charges for goods and services	\$ 1,998,811	\$ 2,886,466
Reimbursement	-	147,352
Total operating revenues	1,998,811	3,033,818
<u>OPERATING EXPENSES</u>		
Personnel services	692,406	70,563
Repairs and maintenance	117,284	-
Contractual services	-	1,919,796
Materials and supplies	21,351	-
Utilities and telephone	17,598	-
Professional fees	126,042	613,638
Depreciation expense	405,858	-
Change in closure/post closure estimate	238,036	-
Other expense	11,034	-
Total operating expenses	1,629,609	2,603,997
Net operating income	369,202	429,821
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Transfers in (out), net	(89,000)	-
Interest income	60,452	-
Unrealized gain (loss) on investments	3,682	-
Total non-operating revenues (expenses)	(24,866)	-
Change in net position	344,336	429,821
NET POSITION - BEGINNING	2,858,666	(81,060)
NET POSITION - ENDING	\$ 3,203,002	\$ 348,761

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Landfill	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 1,847,146	\$ 3,033,818
Payments to suppliers	(282,332)	(2,486,122)
Payments to employees	(719,937)	(70,563)
Net cash provided (used) by operating activities	844,877	477,133
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in (out), net	(89,000)	-
Interfund activity	(151,719)	-
Net cash provided (used) by non-capital financing activities	(240,719)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	60,452	-
Net proceeds (purchases) from (of) investments	7,168	-
Interest received	(551,842)	-
Net cash provided (used) by investing activities	(484,222)	-
Net increase (decrease) in cash and cash equivalents	119,936	477,133
Cash and cash equivalents - beginning	4,091,121	388,628
Cash and cash equivalents - ending	\$ 4,211,057	\$ 865,761
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 369,202	\$ 429,821
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	405,858	-
Changes in assets and liabilities:		
Accounts receivable	(151,665)	-
Accounts payable and accrued liabilities	10,977	-
Accrued salaries, benefits and compensated absences	(205)	-
Incurred but not reported claims payable	-	47,312
Pension related items	(27,326)	-
Closure/post closure liability	238,036	-
Net cash provided by (used in) operating activities	\$ 844,877	\$ 477,133

The notes to financial statements are an integral part of this statement.

PARK COUNTY
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2020

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,372,182
Taxes receivable	1,414,435
Other receivables	<u>95,467</u>
Total assets	<u><u>\$ 4,882,084</u></u>
<u>LIABILITIES</u>	
Due to other taxing districts	\$ 3,007,883
Funds held in trust	<u>1,874,201</u>
Total liabilities	<u><u>\$ 4,882,084</u></u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

Park County (the County) is a governmental entity organized under Wyoming State Laws to provide service to the County and its residents. The County operates under a five-person elected Board of Commissioners and is deemed to be a primary government entity. The financial statements of the reporting entity include those of the County (the primary government) and its component units.

In accordance with GASB standards, entities over which the County has significant operational or financial relationships such as boards, commissions and authorities are considered component units. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the County). Blending requires the component unit's balances and transactions to be reported with the balances and transactions of the County.

The financial data of all component units included in the reporting entity meet the criteria for discreet presentation and are included because the County Commissioners appointed the majority of the entities board members and because they either impose a financial burden on, or receive a benefit from the County. These entities represent only one governmental "proprietary" fund type and all have fiscal years that correspond with the County's. Individual component unit financial statements are included in the supplemental section of the County's basic financial statements.

The following organizations comprise the County's component units:

Weed and Pest Control District

The Weed and Pest Control District (the District) was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The District is fiscally dependent upon the County because the Board of Commissioners has the ability to levy taxes (if necessary), on behalf of the District. The District does not issue separate financial statements and consists of three legally separate entities: Weed and Pest Control District, Weed Management Association, and PCWDCD Building Corporation.

County Fair Board

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

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

County Library Board

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

County Museum Board

The County Museum Board 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 Board's budget, levies taxes (if necessary), and approves any debt issuance. The Museum Board's taxes are levied under the taxing authority of the County and are included as part of the County's total tax levy. The Museum Board does not issue separate financial statements.

County Parks and Recreation

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

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Position, Statement of Activities, along with separate fund financial statements.

1. **Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report on all of the non-fiduciary activities of the County. The effect of inter-fund activity has been removed from these statements.

The Statement of Activities reflects the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 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 in program revenues are reported as general revenues.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the fiduciary funds are excluded from the government-wide financial statements. The General Fund and the County Road Construction Fund meets the criteria as major governmental funds. Each major fund is reported in separate columns in the fund financial statements. Non-major funds include the E-911 Fund. This fund is reflected in a single column in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances.

The following is a brief description of the specific funds used by the County.

Governmental Funds

Governmental Funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities are reported as fund balance. The following are the County's governmental funds.

Major Governmental Funds:

General Fund

The General Fund is the primary operating fund of the County. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, judicial, public welfare, health services and capital acquisition. The General Fund is considered a major fund.

County Road Construction Fund

The County Road Construction Fund accounts for financial resources to be used for the acquisition or construction of major capital infrastructure other than those financed by proprietary and trust funds.

Proprietary Funds:

Landfill Fund

The Landfill Fund enterprise accounts for activities of the landfill of the County.

Internal Service Fund

The Internal Service Fund is used to account for the financing of employee health insurance. The principal operating revenues of the insurance fund are premiums paid for participating employees. Operating expenses for the fund are claims incurred during the year and an estimate of claims incurred but not reported as of year-end.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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. 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. Major revenue types, which have been accrued, are district clerk and county clerk fees, justice of the peace fees, revenue from the investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Governmental fund level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Property taxes are levied prior to September 30, and became delinquent in May. Expenditures are generally recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when the liability has matured and payment is due.

The proprietary funds are accounted for using the accrual basis of accounting as follows:

1. Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred.
2. Current year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Budgetary Basis of Accounting and Reporting

The County prepares its annual operating budget under the provisions of Wyoming State Statutes for all funds. The legal level of control at which expenditures may not legally exceed appropriations is the function level within a fund. The County Commissioners adopt a budget at the beginning of each fiscal year and then they may amend the budget and authorize transfers within various budgetary programs, in any fund. Unused appropriations typically lapse at the end of the year.

While the County is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The statement of revenues, expenditures, and changes in fund balance budget and actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The three major differences between budget basis and GAAP basis are as follows: (1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP). (2) Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP). (3) Proceeds from capital leases and the associated capital outlay expenditure are not recorded on the cash basis (budget), but are recorded on the GAAP basis.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of three months or less. Investments in open-ended mutual fund-money market accounts are also considered cash equivalents and reported at the funds current share price. Restricted cash consists of that portion of pooled cash that is restricted for a specific use due to constraints imposed by external parties or enabling legislation.

Investments

Investments are recorded at fair value based upon quoted market prices at June 30, 2020. The difference between cost and fair value is recognized as an unrealized gain or (loss) in the financial statements.

Inventories

Inventories are accounted for at the lower of cost (first-in, first-out method) or market. Inventories are equally offset by the fund balance reserve which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

Accounts Receivable

Material receivables in governmental funds and governmental activities include revenue accruals such as property tax, grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions that are collectible but not available are deferred. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available at the fund level.

Proprietary type funds, business-type activities and material receivables consist of all revenues earned at year-end and not yet received.

Prepaid Expenses

Certain prepaid expenses exist year to year depending on the timing of payments to various contracts and services. Therefore, when payment is made for services and/or contracts overlapping fiscal years, a prepaid asset is created. The most common type of expenditure meeting this stipulation is the payment for insurance, technology services or maintenance contracts.

Inter-fund Receivables/Payables

During the course of operations, activity occurs between individual funds for goods provided or services rendered. These receivables and payables are classified as inter-fund receivables/payables in the fund financial statements, and are eliminated in the government-wide statement of net position, except those between the governmental-type activities and business-type activities. Activity that constitutes reimbursement to a fund for expenditures initially made from it, that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the fund that is reimbursed. All other inter-fund activity is reported as operating transfers.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Capital Assets and Depreciation

Capital assets include land, buildings, improvements (other than buildings), equipment (including intangible assets and computer software), infrastructure and construction in progress. Capital assets are recorded in the government-wide financial statements. Acquired capital assets are recorded at cost and are defined by the County as assets with an initial individual cost greater than \$5,000. Capital assets are recorded as historical cost. Contributed assets, including those from the federal government, are recorded at estimated fair value on the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are also capitalized.

Costs incurred for repairs and maintenance are expensed as incurred. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Assets transferred from use by governmental activities to proprietary funds are recorded at fair value at the date of transfer.

Buildings and equipment are depreciated using the straight-line method over the following estimated useful lives.

<u>Asset Category</u>	<u>Years</u>
Buildings	50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Vehicles, office and computer equipment, and intangible assets	5

Accounts Payable

Accounts payable in the governmental and proprietary activities includes the payables recorded by the County at June 30, 2020 related to normal monthly expenditures and capital expenditures for all funds, as is the case with component units.

Accrued Liabilities

Accrued liabilities consist of wages earned by employees through June 30, 2020, which had not yet been paid and related payroll liabilities, such as FICA, retirement and health insurance.

Compensated Absences

The County's policy regarding vacation and other employee benefits is that any such amounts unused at the end of the fiscal year are accrued if the employee's rights to receive compensations are attributable to service already rendered and if it is probable that the County will compensate the employees for these benefits. Sick pay is not paid upon termination. All vacation pay and compensatory time is accrued when incurred in the government-wide and proprietary financial statements.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

Deferred Outflows and Inflows – Pension

The reported deferred outflows and inflows of resources consist of the County’s proportionate share of the Wyoming Retirements Systems (WRS) deferred outflows and inflows as of December 31, 2019 in connection with pension payments for County employees. In addition, the County reports its contributions to the WRS between January 1, 2020 to June 30, 2020 as deferred outflows of resources.

Long-Term Liabilities

Accounting treatment of long-term debt and other liabilities varies depending upon the source of repayment and the measurement focus applied, and whether the debt is reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, liability for claims, and notes payable. This long-term debt is reported net of unamortized premiums, and discounts, if applicable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payments of principal and interest are reported as expenditures.

Equity Classifications

1. Government-Wide and Proprietary Fund Financial Statements:

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

2. Governmental Fund Financial Statements:

Governmental fund equity is classified as fund balance. The County reports fund balance in the governmental fund financial statements in one of the following four categories:

- a. Non-Spendable Fund Balances – These fund balances are the net balance of assets and liabilities that are legally or contractually restricted and include items such as prepaid items, inventory, and other items considered “not in spendable form”.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position (Continued)

- b. Restricted Fund Balances – These fund balances represent amounts constrained to a specific purpose by their providers, through constitutional provisions, or by enabling legislation.
- c. Assigned Fund Balances – Assigned Fund Balances are the net amounts of assets and liabilities constrained by the intent of the County Commissioners to use them for a specific purpose.
- d. Unassigned Fund Balances – These fund balances represent amounts that have not been restricted, committed or assigned to a specific purpose.

Property Tax

The County levies taxes on assessed property within the County. The taxes are levied on the assessed valuation of the prior year according to the tax calendar below. Assessed valuation and tax levies are subject to adjustment for prior years (rebates and supplemental) as controlled by the County or State. The County bills and collects its own property taxes and taxes for all municipalities and political subdivisions within the County. Collections and remittances of these taxes for their taxing districts are accounted for in the respective agency fund of the County.

Property Tax Calendar

August 10	Taxes are levied and become an enforceable lien on properties
September 1	First of two equal installment payments is due
November 10	First installment is delinquent
March 1	Second installment is due
May 10	Second installment is delinquent

Under GAAP, a receivable can be recorded at the earliest of the date of the assessment or the date a lien is placed on the property. Neither of these items occur prior to June 30, 2020 for the purpose of the upcoming 2020 levy. Therefore, property taxes assessed in August of 2019 apply to the fiscal year ended June 30, 2020 and become the basis of the property tax receivable as of June 30, 2020.

The County is permitted by Wyoming State Statute to levy taxes up to 12 mills of assessed valuation for all purposes, exclusive of state revenue, except for 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, 2020 was 12 mills; accordingly, the County has levied the maximum amount available.

Deficit Fund Balances and Net Position

Wyoming Statutes prohibit the creation of a deficit fund balance in any individual fund of the County. For the year ended June 30, 2020, the Library Board reported a deficit of \$858,821, which was caused primarily by the non-cash liability associated with participating in the Wyoming Retirement System.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

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

2. CASH AND INVESTMENTS

Cash

Cash and cash equivalents include all demand and savings accounts and certificates of deposits or short-term investments with an original maturity of twelve months or less. Restricted cash relates solely to county road construction projects.

Wyoming Statute §9-4-817 authorizes agencies of the State to deposit public funds in financial institutions authorized to conduct business in the State of Wyoming. These deposits must be fully insured by the Federal Deposit Insurance Corporation (FDIC) or secured by a pledge of assets including bonds, debentures and other securities (which by law) the State Treasurer may invest. Alternatively, a depository may pledge to deposits with conventional real estate mortgages and loans connected with mortgages at a ratio of one and one half (1.5:1) of the value of public funds secured by the securities.

At June 30, 2020, all deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the County. All deposits were held by a qualified depository as outlined in State statutes.

Investments

The County's investments are stated at fair value. Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures, establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities;
- Level 2 - Quoted prices for identical or similar assets or liabilities in markets that are not considered to be active or identical or similar financial instruments for which all significant inputs are observable, either directly or indirectly; and
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurements and unobservable.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

2. CASH AND INVESTMENTS (Continued)

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. In periods of market inactivity, the observability of prices and inputs may be reduced for certain instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or from Level 2 to Level 3.

Investments measured at fair value at June 30, 2020:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Certificates of deposit	\$ 4,493,426	\$ -	\$ 4,493,426	\$ -
Cash an cash equivalents	200,002	N/A	N/A	N/A
Total investments	\$ 4,693,428	\$ -	\$ 4,493,426	\$ -

The following table sets forth the weighted average maturities of each investment type as well as the respective credit risk rating of the investments:

Investment Type	Fair Value	Credit Risk Rating	Weighted Average Maturity in Years
Certificates of deposit	\$ 4,493,426	Unrated	1.24
Cash an cash equivalents	\$ 200,002	N/A	N/A

Credit Risk – Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization as shown in the table above.

Interest Rate Risk – Interest rate risk is the risk that, changes in the interest rate may adversely affect the fair value of an instrument. The County’s policy is to review the portfolio on an ongoing basis for changes in effective yields and compare those yields to those of specific investments to ensure reasonable rates are being achieved.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of the counterparty to a transaction, the County will not be able to recover the value of the investments or collateral securities that are in possession of an outside party. The County’s policy for custodial credit risk is to have all funds on deposit collateralized at a level of 120 percent of deposits including accrued interest or higher if required by law. Investments are held in safekeeping by external custodians in the County’s name.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the County’s investment in a single issuer. Concentration of risk is not addressed in the County’s internal policy.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

3. CAPITAL ASSETS

Capital asset activity related to the primary government for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Increase	Decrease	Transfers	Balance June 30, 2020
Governmental Activities:					
Capital assets not being depreciated:					
Construction in progress	\$ 2,292,177	\$ 350,424	\$ -	\$(107,420)	\$ 2,535,181
Land	1,963,593	-	-	-	1,963,593
Intangible assets	57,547	-	-	-	57,547
Depreciable capital assets:					
Buildings and improvements	42,494,662	43,110	-	107,420	42,645,192
Equipment	11,688,541	917,238	406,997	-	12,198,782
Infrastructure	199,220,103	1,590,240	-	-	200,810,343
Intangible assets	347,480	-	-	-	347,480
Total	<u>258,064,103</u>	<u>2,901,012</u>	<u>406,997</u>	<u>-</u>	<u>260,558,118</u>
Accumulated depreciation for:					
Buildings and improvements	(22,229,817)	(1,331,864)	-	-	(23,561,681)
Equipment	(9,301,444)	(828,465)	(311,879)	-	(9,818,030)
Infrastructure	(169,528,062)	(2,363,095)	-	-	(171,891,157)
Intangible assets	<u>(347,480)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(347,480)</u>
Total accumulated depreciation	<u>(201,406,803)</u>	<u>(4,523,424)</u>	<u>(311,879)</u>	<u>-</u>	<u>(205,618,348)</u>
Governmental activities capital assets, net	<u>\$ 56,657,300</u>				<u>\$ 54,939,770</u>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

3. CAPITAL ASSETS (Continued)

	Balance June 30, 2019	Increase	Decrease	Transfers	Balance June 30, 2020
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 68,214	\$ -	\$ -	\$ -	\$ 68,214
Depreciable capital assets:					
Land improvements	3,061,873	-	-	-	3,061,873
Buildings and improvements	1,320,934	-	-	-	1,320,934
Equipment	1,617,929	-	-	-	1,617,929
Total	<u>6,068,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,068,950</u>
Accumulated depreciation for:					
Land improvements	(2,080,394)	(242,377)	-	-	(2,322,771)
Buildings and improvements	(431,803)	(46,680)	-	-	(478,483)
Equipment	(1,070,192)	(116,802)	-	-	(1,186,994)
Total accumulated depreciation	<u>(3,582,389)</u>	<u>(405,859)</u>	<u>-</u>	<u>-</u>	<u>(3,988,248)</u>
Business-type activities capital assets, net	<u>\$ 2,486,561</u>				<u>\$ 2,080,702</u>

For the year ended June 30, 2020, depreciation expense was charged to the following activities in the Statement of Activities:

Governmental Activities:

General government	\$ 588,643
Public safety	781,046
Public works	3,153,735
	<u>\$4,523,424</u>

Business-Type Activities:

Landfill	<u>\$ 405,859</u>
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PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

3. CAPITAL ASSETS (Continued)

Capital asset activity related to the discretely presented component units for the year ended June 30, 2020 was as follows:

	Balance				Balance
	June 30, 2019	Increase	Decrease	Transfers	June 30, 2020
Park County Weed and Pest Control District:					
Capital assets not being depreciated:					
Land	\$ 87,500	\$ -	\$ -	\$ -	\$ 87,500
Depreciable capital assets:					
Buildings and improvements	1,054,162	-	-	-	1,054,162
Equipment	473,660	-	-	-	473,660
Total	<u>1,615,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,615,322</u>
Accumulated depreciation for:					
Buildings and improvements	(215,007)	(21,837)	-	-	(236,844)
Equipment	(435,298)	(17,786)	-	-	(453,084)
Total accumulated depreciation	<u>(650,305)</u>	<u>(39,623)</u>	<u>-</u>	<u>-</u>	<u>(689,928)</u>
Park County Weed and Pest Control District capital assets, net	<u>\$ 965,017</u>				<u>\$ 925,394</u>
	Balance				Balance
	June 30, 2019	Increase	Decrease	Transfers	June 30, 2020
Park County Fair Board:					
Depreciable capital assets:					
Buildings and improvements	\$ 1,091,216	\$ -	\$ -	\$ -	\$ 1,091,216
Equipment	297,649	-	2	-	297,647
Total	<u>1,388,865</u>	<u>-</u>	<u>2</u>	<u>-</u>	<u>1,388,863</u>
Accumulated depreciation for:					
Buildings and improvements	(931,999)	(9,712)	-	-	(941,711)
Equipment	(201,321)	(15,958)	-	-	(217,279)
Total accumulated depreciation	<u>(1,133,320)</u>	<u>(25,670)</u>	<u>-</u>	<u>-</u>	<u>(1,158,990)</u>
Park County Fair Board capital assets, net	<u>\$ 255,545</u>				<u>\$ 229,873</u>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

3. CAPITAL ASSETS (Continued)

	Balance				Balance
	June 30, 2019	Increase	Decrease	Transfers	June 30, 2020
Park County Library Board:					
Capital assets not being depreciated:					
Art work	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000
Depreciable capital assets:					
Books and related collections	488,068	-	-	-	488,068
Equipment	163,841	-	-	-	163,841
Total	<u>659,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,909</u>
Accumulated depreciation for:					
Books and related collections	(439,261)	-	-	-	(439,261)
Equipment	(130,671)	(1,589)	-	-	(132,260)
Total accumulated depreciation	<u>(569,932)</u>	<u>(1,589)</u>	<u>-</u>	<u>-</u>	<u>(571,521)</u>
Park County Library Board capital assets, net	<u>\$ 89,977</u>				<u>\$ 88,388</u>
	Balance				Balance
	June 30, 2019	Increase	Decrease	Transfers	June 30, 2020
Park County Museum Board:					
Capital assets not being depreciated:					
Artifacts and other collections	\$ 1,167,992	\$ -	\$ -	\$ -	\$ 1,167,992
Depreciable capital assets:					
Equipment	25,798	-	-	-	25,798
Total	<u>1,193,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,193,790</u>
Accumulated depreciation for:					
Equipment	(18,935)	(1,066)	-	-	(20,001)
Total accumulated depreciation	<u>(18,935)</u>	<u>(1,066)</u>	<u>-</u>	<u>-</u>	<u>(20,001)</u>
Park County Museum Board capital assets, net	<u>\$ 1,174,855</u>				<u>\$ 1,173,789</u>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

4. LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2020, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental Activities:					
Compensated absences	\$ 439,316	\$ 42,801	\$ -	\$ 482,117	\$ 143,331
Net pension liability	13,349,135	-	4,585,914	8,763,221	-
Total	<u>\$ 13,788,451</u>	<u>\$ 42,801</u>	<u>\$ 4,585,914</u>	<u>\$ 9,245,338</u>	<u>\$ 143,331</u>
Business-Type Activities:					
Postclosure	\$ 3,216,243	\$ 238,036	\$ -	\$ 3,454,279	\$ -
Compensated absences	34,172	-	205	33,967	9,596
Net pension liability	597,448	-	185,454	411,994	-
Total	<u>\$ 3,847,863</u>	<u>\$ 238,036</u>	<u>\$ 185,659</u>	<u>\$ 3,900,240</u>	<u>\$ 9,596</u>

Compensated Absences

At June 30, 2020, the County's compensated absences liability comprises vacation and compensatory time off. It is the County's policy to record sick leave benefits as an operating expense in the period taken. Employees become eligible for vacation upon hire. Vacation hours accrue as set forth in the following table:

<u>Length of Employment</u>	<u>Hour Accrued</u>
1 st year	4 hours per month
2 - 4 years	8 hours per month
5 - 9 years	10 hours per month
10 years or more	13.34 hours per month

Individual employee vacation accruals are not permitted to exceed 1.5 times an employee's annual vacation benefit.

Landfill Closure and Post Closure Care Liability

Background

State and federal laws and regulations require the County to place final covers on its landfill sites when they stop receiving waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure.

The total cost of closure and post closure activities are being recognized and accrued on a pro-rata basis as the landfill sites are being utilized and are intended to be fully recognized by the time the landfills are full. Future closure and post closure costs are being estimated based on engineering and cost data as of June 30, 2020. Changes in this future liability are recognized in the operations of the Landfill Enterprise Fund on an annual basis. As of June 30, 2020, \$3,454,279 has been accrued in connection with the cumulative landfill use to date. An additional \$7,030,915 is estimated to be incurred as the remaining estimated capacity is utilized.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

4. LONG-TERM LIABILITIES (Continued)

The cumulative capacity of the County’s landfill sites utilized through June 30, 2020 are estimated as follows:

<u>Site Description</u>	<u>Percentage of Capacity Used</u>
Park County Regional Landfill (Cody)	42%
Clark, Municipal Solid Waste (MSW)	100%
Clark, Construction and Demolition (C&D)	2%
Powell, MSW	100%
Powell, C&D	70%
Meeteetse	100%, closed in FY 2010

The Park County Cody landfill consists of four development phases – Area A, and Phases 1 through 3. Area A has received its final cover and all closure costs have been incurred.

The Clark, MSW landfill is also full and all closure costs have likewise been incurred. However, its consumed capacity is used in the calculation of the total post closure liability for the Clark facility.

5. INCURRED BUT NOT REPORTED CLAIMS

The County provides medical related benefits to eligible employees through a self-insured plan, administered by a third-party administrator. The costs of benefits paid, administrative fees and reinsurance premiums are paid through the County’s Internal Service Fund which is part of the government-wide financial statements. Under this program the County covers the cost of insurance by paying a third-party administrator for claims in excess of the individual (\$3,000) or family (\$6,000) deductible for each employee. Claims in excess of \$70,000 are covered by stop-loss insurance purchased from a commercial insurance company. The incurred but not reported claims are determined based on an estimate developed using historical data by the third-party administrator.

6. LEASES

The County owns and maintains an office building whereby it leases office space to multiple leasees with various terms and expiration dates. Lease and rental revenues received in the current year totaled \$609,798. As of June 30, 2020, the future minimum lease revenues from leases, with terms in excess of one year, are as follows:

<u>Year Ended June 30,</u>	<u>Lease Revenue</u>
2021	\$ 372,821
2022	158,827
2023	97,148
2024	96,328
	<hr/>
	\$ 725,124
	<hr/> <hr/>

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

7. RISK MANAGEMENT

General and Professional Liability Insurance

The County is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; injuries to employees and natural disasters. The County accounts for and finances its risk activities in the General Fund.

The risk of physical asset loss and certain business interruption losses are covered by commercial insurance purchased from independent parties. The County coverage limits (subject to deductibles not in excess of \$250,000) are as follows: general loss limit per occurrence \$1,000,000,000, earthquakes \$25,000,000 per occurrence and annual aggregate, flood \$25,000,000 per occurrence and annual aggregate, boiler and machinery \$100,000,000 per occurrence.

In addition, the County pays into the State Workers Compensation System, a premium based on a rate per covered payroll. This rate is calculated based on accidental history and administrative costs.

8. ECONOMIC DEPENDENCE

The County receives a substantial portion of support from property, sales and other taxes assessed on taxpayers at various levels, and federal agencies and state governments. A significant reduction in this level of support, if this were to occur, may have a material adverse effect on the County's programs, activities and projects.

9. INTERFUND ACTIVITY

Amounts due from and due to other funds as of June 30, 2020 are as follows:

	Due From Other Funds	Due To Other Funds
Governmental Activities:		
General Fund	\$ 94,005	\$ -
E-911	-	5,206
	94,005	5,206
Business-Type Activities:		
Landfill	-	88,799
	-	88,799
	\$ 94,005	\$ 94,005

Interfund balances represent non-interest bearing amounts owed to or from programs for administrative services rendered and for payments made on behalf of such entities. Amounts are generally due upon demand.

Interfund transfers included a transfer to the general fund from the County landfill totaling \$89,000.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

10. COMMITMENTS AND CONTINGENCIES

The County is involved in litigation as a defendant against Vanguard Natural Resources, LLC (Vanguard). Vanguard is currently in bankruptcy and attempting to recoup property taxes paid to Park County during the year ended June 30, 2017. The ultimate outcome is unknown but the County's portion of the potential loss could be up to approximately \$212,000.

In the normal course of operations, the County participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loan agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although management believes that the amount, if any, would not be material to the net position of the County.

11. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM

The County employees participate in either the Public Employee Pension Plan or the Law Enforcement Pension Plan within the Wyoming Retirement System (WRS or the Plan), which are multiple employer cost sharing defined benefit plans. The Plan provides retirement benefits which cover State of Wyoming, local government and public employees. Current accounting standards require the County to recognize a liability for its proportionate share of the net pension liability. The County's liability is required to be determined on a basis that is consistent with the manner in which contributions to the plan are determined. The County derived their portion of the net pension liability by applying the actual contribution as a percentage of total contributions to the Plan.

The County reports its share of the net pension liability, along with certain pension related deferred inflows and deferred outflows in the County-wide statement of net position. The related current year expense is reported in the County-wide statement of activities. In addition, the County is required to present two additional schedules in the required supplementary information section of this report. These two additional schedules include the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions.

Significant Accounting Policies

For purposes of measuring the net pension liability, deferred outflows of resources and pension expense, this information has been determined using the same basis as reported by Wyoming Retirement System (WRS). Benefit payments are recognized when due and payable in accordance with benefit terms and investments are reported at fair value.

Actuarial Valuation

Public Employee Pension Plan:

An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2020, the fiduciary net position as a percentage of total pension liability increased from 69.17 percent on January 1, 2019 to 76.83 percent on January 1, 2020. The net pension liability as a percentage of covered employee payroll decreased from 174.88 percent to 135.19 percent as of January 1, 2019 and 2020, respectively. The net pension liability was \$2.35 billion as of January 1, 2020 compared to \$3.05 billion as of January 1, 2019. This is an decrease from the prior year.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

11. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Law Enforcement Pension Plan:

Actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2020, the fiduciary net position as a percentage of total pension liability increased from 71.22 percent on January 1, 2019 to 89.05 percent on January 1, 2020. The net pension liability as a percentage of covered employee payroll decreased from 159.36 percent to 55.31 percent as of January 1, 2019 and 2020, respectively. The net pension liability was \$86.2 million as of January 1, 2020 compared to \$242.1 million as of January 1, 2019. This is a decrease from the prior year.

Determination of Tier 1 versus Tier 2 Employees - Public Employee Plan

Tier 1 employees are those whose first contribution to the Plan is before September 1, 2012; whereas, Tier 2 employees are those whose first contribution to the Plan is after September 1, 2012.

Contributions

As a condition of participation in the Plan, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by Wyoming State Statute and specified by the WRS Board. Contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. During 2014, House Bill 46 increased the required contributions for participants in the Public Employee's Pension Plan as follows: This bill provided for an increase to take effect on July 1, 2015, which increased the total contribution from 15.87 percent to 16.62 percent. During 2018, House Bill 109 increased required pension plan contributions rates by 0.50 percent per fiscal year through fiscal year 2022.

The Law Enforcement Pension Plan requires a contribution of 17.2 percent of eligible wages.

Benefits – Public Employee Pension Plan

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

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

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

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

11. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Benefits – Public Employee Pension Plan (Continued)

Tier 2, the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire upon normal retirement on the basis that the sum of the member's age and service is at least 85.

Benefits – Law Enforcement Pension Plan

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

Actuarial Assumptions

The current assumptions used in the actuarial valuation were adopted by the Wyoming Retirement System's Board effective August 23, 2017 and were first utilized with the January 1, 2018 valuation report. The net pension liability for the Law Enforcement Plan was calculated using a 7.00 percent discount rate in the current year and a 5.92 percent discount rate in the prior year. Otherwise, there have been no changes to the assumptions or methods since the prior actuarial valuation.

The results of the actuarial valuation are dependent upon the actuarial assumptions used. Actual results can and almost certainly will differ, as actual experience deviates from the assumptions. Even seemingly minor changes in the assumptions can materially change the liabilities, calculated contributions rates and funding periods.

Pension Liabilities, Deferred Outflows and Deferred Inflows

The net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The County's proportion of the net pension liability was based on the County's share of contributions to the Plan relative to the total contributions of all participating Plan members.

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

11. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

At June 30, 2020, the County's net pension liability is as follows:

	Net Pension Liability
Governmental Activities	
Public Employee	\$ 7,295,122
Law Enforcement	1,468,099
Total	\$ 8,763,221
 Business-Type Activities	
Enterprise Fund, Public Employee	\$ 411,994
 Component Units:	
Weed and Pest Control District, Public Employee	\$ 473,933
Library Board, Public Employee	1,195,269
Museum Board, Public Employee	131,321
Total	\$ 1,800,523

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities			Business-Type Activities
	Public Employee Pension Plan	Law Enforcement Pension Plan	Total	Public Employee Pension Plan
Pension expense (non-cash)	\$ 621,881	\$ 246,876	\$ 868,757	\$ (27,326)
Deferred outflows of resources				
Difference between expected and actual experience	\$ -	\$ 261,191	\$ 261,191	\$ -
Changes of assumptions	257,107	1,222,523	1,479,630	14,533
Contributions subsequent to the measurement date	484,671	234,439	719,110	27,359
Total deferred outflows of resources	\$ 741,778	\$ 1,718,153	\$ 2,459,931	\$ 41,892
Deferred inflows of resources				
Difference between expected and actual experience	\$ 143,850	\$ 122,517	\$ 266,367	\$ 8,131
Changes of assumptions	-	1,465,760	1,465,760	-
Net difference between projected and actual earning on pension plan investments	1,088,514	524,737	1,613,251	61,467
Total deferred inflows of resources	\$ 1,232,364	\$ 2,113,014	\$ 3,345,378	\$ 69,598

PARK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2020

11. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

	Component Units			Total
	Library Board	Museum Board	Weed and Pest Control District	
Pension expense	\$ 84,683	\$ (7,015)	\$ 24,637	\$ 102,305
Deferred outflows of resources				
Changes of assumptions	\$ 42,128	\$ 4,628	\$ 16,704	\$ 63,460
Contributions subsequent to the measurement date	74,290	10,060	32,553	116,903
Total deferred outflows of resources	<u>\$ 116,418</u>	<u>\$ 14,688</u>	<u>\$ 49,257</u>	<u>\$ 180,363</u>
Deferred inflows of resources				
Difference between expected and actual experience	\$ 23,570	\$ 2,590	\$ 9,346	\$ 35,506
Net difference between projected and actual earning on pension plan investments	178,346	19,594	70,716	268,656
Total deferred inflows of resources	<u>\$ 201,916</u>	<u>\$ 22,184</u>	<u>\$ 80,062</u>	<u>\$ 304,162</u>

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

The following table sets forth the County's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent for the Public Employee Plan and a 7.00 percent discount rate for the Law Enforcement Plan. This table also presents what would be if it were calculated using a discount rate that is both 1 percentage point higher and lower than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Public Employee Plan	\$ 14,364,438	\$ 9,507,639	\$ 5,454,192
Law Enforcement Plan	\$ 3,272,891	\$ 1,468,099	\$ (7,285)

Other Detailed Information

For more detailed information regarding the Plan see the separately issued 2019 Wyoming Retirement System Comprehensive Annual Financial Report. This report is available at <http://retirement.state.wy.us/default.aspx>.

12. SUBSEQUENT EVENTS

Subsequent events have been evaluated through February 9, 2021, the date the financial statements were available to be issued, and the following matters were noted:

On December 28, 2020, the County received pass-through grant funds from the State of Wyoming \$600,388 to be allocated to 501(c)(3) organizations who qualify and fill out the application. On February 8, 2021, the County also received approximately \$1.4 million of Covid Relief Funds (CRF) from State Lands and Investments, of which \$566,419 was accrued into fiscal year 2020.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

PARK COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>				
Intergovernmental	\$ 3,791,995	\$ 3,842,657	\$ 3,653,364	\$ (189,293)
Charges for services	1,243,409	1,243,409	1,363,737	120,328
Lease/rental	758,291	758,291	752,933	(5,358)
Taxes	16,758,965	16,758,965	17,218,107	459,142
License and permits	43,250	43,250	68,542	25,292
Interest income	185,000	185,000	237,617	52,617
Other income	44,071	44,071	98,798	54,727
Total revenues	22,824,981	22,875,643	23,393,098	517,455
<u>EXPENDITURES</u>				
General government	10,996,601	11,035,804	9,909,117	1,126,687
Public works	5,364,113	5,546,090	5,020,990	525,100
Public safety	8,024,212	8,024,212	7,584,172	440,040
Health services	590,046	600,935	594,031	6,904
Total expenditures	24,974,972	25,207,041	23,108,310	2,098,731
Other financing sources:				
Transfers in (out), net	87,450	87,450	89,000	(1,550)
Total other financing sources	87,450	87,450	89,000	(1,550)
Excess of revenue over (under) expenditures and transfers	\$ (2,062,541)	\$ (2,243,948)	\$ 373,788	\$ (2,617,736)

BUDGETARY TO GAAP REPORTING RECONCILIATION

Excess of revenues over expenditure and other financing uses - budget basis	\$ 373,788
Revenue accruals	794,660
Expenditure accruals	(536,582)
Net change in fund balance - GAAP basis	\$ 631,866

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM - PUBLIC EMPLOYEES PENSION PLAN
As of December 31, 2019
Last 10 Years *

	2019	2018	2017	2016	2015	2014
Public Employee Pension Plan						
The County's proportionate share of net pension liability	0.405%	0.401%	0.387%	0.390%	0.391%	0.397%
The County's proportionate share of the net pension liability	\$ 9,507,639	\$ 12,203,831	\$ 8,825,074	\$ 9,401,048	\$ 9,104,350	\$ 7,002,492
Covered - employee payroll	\$ 7,199,198	\$ 6,968,211	\$ 6,971,872	\$ 6,967,498	\$ 6,894,671	\$ 6,793,080
Proportionate share of the net pension liability as percentage of covered-employee payroll	132.07%	175.14%	126.58%	134.93%	132.05%	103.08%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	69.17%	76.35%	73.42%	73.40%	79.08%
Law Enforcement Pension Plan						
The County's proportionate share of net pension liability	1.726%	1.691%	1.607%	1.562%	1.720%	1.726%
The County's proportionate share of the net pension liability	\$ 1,468,099	\$ 4,092,572	\$ 1,382,496	\$ 1,178,957	\$ 1,208,516	\$ 508,408
Covered - employee payroll	\$ 2,746,531	\$ 2,636,079	\$ 2,485,278	\$ 2,443,697	\$ 2,548,290	\$ 2,670,820
Proportionate share of the net pension liability as percentage of covered-employee payroll	53.45%	155.25%	55.63%	48.24%	47.42%	19.04%
Plan fiduciary net position as a percentage of the total pension liability	89.05%	71.22%	87.99%	88.11%	87.49%	94.76%

* In accordance with GASB 68, employers are required to disclose a 10-year history of their proportionate share of the "net pension liability" in their RSI. The 10-year schedule will need to be presented prospectively. Accordingly, the schedule presents information only for 2019 to 2014.

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
As of December 31, 2019
Last 10 Years *

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Public Employee Pension Plan						
Contractually required contribution	\$ 1,250,351	\$ 1,170,842	\$ 1,130,731	\$ 1,157,997	\$ 1,133,578	\$ 1,051,845
Actual contributions in relation to the contractually required contribution	<u>(1,250,351)</u>	<u>(1,170,842)</u>	<u>(1,130,731)</u>	<u>(1,157,997)</u>	<u>(1,133,578)</u>	<u>(1,051,845)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 7,199,198	\$ 6,968,211	\$ 6,803,443	\$ 6,967,498	\$ 6,894,671	\$ 6,793,080
Contributions as a percentage of covered-employee payroll **	17.37%	16.80%	16.62%	16.62%	16.44%	15.5%
Law Enforcement Pension Plan						
Contractually required contribution	\$ 472,404	\$ 453,405	\$ 427,467	\$ 420,315	\$ 438,306	\$ 459,381
Actual contributions in relation to the contractually required contribution	<u>(472,404)</u>	<u>(453,405)</u>	<u>(427,467)</u>	<u>(420,315)</u>	<u>(438,306)</u>	<u>(459,381)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 2,746,531	\$ 2,636,079	\$ 2,485,278	\$ 2,443,697	\$ 2,548,290	\$ 2,670,820
Contributions as a percentage of covered-employee payroll	17.20%	17.20%	17.20%	17.20%	17.20%	17.20%

* Amounts presented are based on the calendar year. Employers are required to report amounts prospectively in this table in future years to show 10 years of information. The schedule above is only for 2019 to 2014.

** In 2014, House Bill 46 increased contributions from 14.62% to 15.87% effective on September 1, 2014. This bill also provided for an increase, requiring a contribution of 16.62%, to take effect on July 1, 2015. In 2018, House Bill 109 required an increase in pension plan contribution rates by 0.50% per fiscal year through fiscal year 2022, effective on September 1, 2018.

The notes to financial statements are an integral part of this statement.

SUPPLEMENTAL INFORMATION SECTION

PARK COUNTY
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2020

	Weed and Pest Control District	Fair Board	Library Board	Museum Board	Parks and Recreation	Total Discretely Presented Component Units
<u>ASSETS</u>						
Cash and cash equivalents	\$ 710,201	\$ 64,516	\$ 255,761	\$ 13,863	\$ 47,639	\$ 1,091,980
Restricted cash and cash equivalents	-	-	112,658	-	-	112,658
Accounts receivable	82,484	-	11,068	-	-	93,552
Prepaid	13,567	-	4,576	1,940	-	20,083
Inventories	160,357	-	-	-	-	160,357
Non-depreciable assets	87,500	-	8,000	1,167,992	-	1,263,492
Depreciable assets, net	837,894	229,873	80,388	5,797	-	1,153,952
Total assets	<u>1,892,003</u>	<u>294,389</u>	<u>472,451</u>	<u>1,189,592</u>	<u>47,639</u>	<u>3,896,074</u>
Deferred outflows of resources - pensions	<u>49,257</u>	<u>-</u>	<u>116,418</u>	<u>14,688</u>	<u>-</u>	<u>180,363</u>
<u>LIABILITIES</u>						
Accounts payable	47,844	-	66	-	-	47,910
Accrued liabilities	111	-	-	-	-	111
Compensated absences:						
Due within one year	31,920	-	50,438	5,910	-	88,268
Net pension liability	473,933	-	1,195,269	131,321	-	1,800,523
Total liabilities	<u>553,808</u>	<u>-</u>	<u>1,245,773</u>	<u>137,231</u>	<u>-</u>	<u>1,936,812</u>
Deferred inflows of resources - pensions	<u>80,061</u>	<u>-</u>	<u>201,917</u>	<u>22,184</u>	<u>-</u>	<u>304,162</u>
<u>NET POSITION</u>						
Net invested in capital assets	925,394	229,873	88,388	1,173,789	-	2,417,444
Restricted for Library	-	-	112,658	-	-	112,658
Unrestricted	381,997	64,516	(1,059,867)	(128,924)	47,639	(694,639)
Total net position	<u>\$ 1,307,391</u>	<u>\$ 294,389</u>	<u>\$ (858,821)</u>	<u>\$ 1,044,865</u>	<u>\$ 47,639</u>	<u>\$ 1,835,463</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
Year Ended June 30, 2020

	<u>Weed and Pest Control District</u>	<u>Fair Board</u>	<u>Library Board</u>	<u>Museum Board</u>	<u>Parks and Recreation</u>	<u>Total Discretely Presented Component Units</u>
<u>REVENUES</u>						
Operating revenues:						
Charges for goods and services	\$ 503,003	\$ 236,275	\$ 25,680	\$ -	\$ 177,350	\$ 942,308
Intergovernmental	266,881	-	-	-	-	266,881
Lease/rental	6,175	-	-	-	-	6,175
Taxes	805,100	23,764	1,706,725	203,707	-	2,739,296
Fines	-	-	4,107	-	-	4,107
Other	10,947	992	9,724	1,644	-	23,307
Total revenues	<u>1,592,106</u>	<u>261,031</u>	<u>1,746,236</u>	<u>205,351</u>	<u>177,350</u>	<u>3,982,074</u>
<u>EXPENSES</u>						
Operating expenses:						
General and administrative	6,000	2,055	109,636	3,449	-	121,140
Operating expense	218,079	207,119	4,000	2,193	132,408	563,799
Advertising/marketing	9,961	13,613	-	-	-	23,574
Payroll	502,041	-	935,415	132,575	-	1,570,031
Payroll taxes and benefits	163,144	-	311,029	22,038	-	496,211
Repairs and maintenance	10,522	-	5,607	1,376	-	17,505
Travel and training	1,519	-	3,975	549	-	6,043
Contractual	314,890	-	8,940	-	-	323,830
Office supplies	3,943	-	12,444	7,356	-	23,743
Utilities	8,901	1,040	1,467	-	-	11,408
Dues and subscriptions	7,143	404	7,025	-	-	14,572
Insurance	7,780	-	309,646	29,219	-	346,645
Professional fees	-	-	1,014	8,400	-	9,414
Equipment	10,832	3,935	37,325	2,601	-	54,693
Cost of goods sold	368,848	-	-	-	-	368,848
Depreciation expense	39,623	25,670	1,589	1,066	-	67,948
Other	1,412	-	2,724	988	-	5,124
Total operating expenses	<u>1,674,638</u>	<u>253,836</u>	<u>1,751,836</u>	<u>211,810</u>	<u>132,408</u>	<u>4,024,528</u>
Operating income (loss)	<u>(82,532)</u>	<u>7,195</u>	<u>(5,600)</u>	<u>(6,459)</u>	<u>44,942</u>	<u>(42,454)</u>
<u>NON-OPERATING REVENUES</u>						
Interest income	12,202	-	-	-	47	12,249
Total non-operating revenues	<u>12,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>12,249</u>
Changes in net position	<u>(70,330)</u>	<u>7,195</u>	<u>(5,600)</u>	<u>(6,459)</u>	<u>44,989</u>	<u>(30,205)</u>
NET POSITION - BEGINNING	<u>1,377,721</u>	<u>287,194</u>	<u>(853,221)</u>	<u>1,051,324</u>	<u>2,650</u>	<u>1,865,668</u>
NET POSITION - ENDING	<u>\$ 1,307,391</u>	<u>\$ 294,389</u>	<u>\$ (858,821)</u>	<u>\$ 1,044,865</u>	<u>\$ 47,639</u>	<u>\$ 1,835,463</u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

Program Title	Federal CFDA Number	State Project Number	Expenditures	Passed through to Subrecipients
U.S. Department of Homeland Security				
Passed through State of Wyoming Office of Homeland Security				
Emergency Management Performance Grant	97.042 90.404	19EMPG-PAR-GCF19	\$ 48,000	
			<u>\$ 48,000</u>	
Homeland Security Grant Program	97.067	16GPD-PAR-SC-HSG16	\$ 11,021	
			<u>\$ 11,021</u>	
Subtotal Department of Homeland Security			<u>\$ 59,021</u>	
U.S. Department of Health and Human Services				
Administration for Children & Families				
Passed through State of Wyoming Department of Health				
Temporary Assistance for Needy Families	93.558	N/A	\$ 24,757	
			<u>\$ 24,757</u>	
Passed through State of Wyoming Department of Family Services				
Temporary Assistance for Needy Families	93.558	N/A	\$ 54,312	
			<u>\$ 54,312</u>	
Centers for Disease Control and Prevention				
Passed through State of Wyoming Department of Health				
Public Health Emergency Preparedness	93.069	CDC-RFA-TP19-1901	\$ 105,298	
			<u>\$ 105,298</u>	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	N/A	\$ 9,600	
			<u>\$ 9,600</u>	
Passed through State of Wyoming Department of Health				
Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Administration Treatment Drug Courts				
	93.243	N/A	\$ 108,153	
			<u>\$ 108,153</u>	\$ 108,153
Subtotal Department of Health and Human Services			<u>\$ 302,120</u>	

The notes to financial statements are an integral part of this statement.

PARK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
Year Ended June 30, 2020

Program Title	Federal CFDA Number	State Project Number	Expenditures	Passed through to Subrecipients
Federal Election Commission				
Passed through State of Wyoming Office of the Secretary of State				
Help America Vote Act - Election Equipment	90.404	*	N/A	\$ 257,152
				<u>\$ 257,152</u>
Subtotal Federal Election Commission				<u>\$ 257,152</u>
U.S. Department of Justice				
Violence Against Women				
Passed through Wyoming Department of Victim Services				
State Victim Assistance Formula Grant	16.575		N/A	\$ 46,175
				<u>\$ 46,175</u>
Subtotal Department of Justice				<u>\$ 46,175</u>
U.S. Department of Treasury				
Passed through State of Wyoming Wyoming Office State Lands and Investments				
Coronavirus Relief Funds	21.019	*	N/A	\$ 546,448
Coronavirus Relief Funds	21.019	*	N/A	\$ 19,970
				<u>\$ 566,418</u>
Subtotal Department of Agriculture				<u>\$ 566,418</u>
Total Federal Funds Expended				<u><u>\$ 1,230,886</u></u>

The notes to financial statements are an integral part of this statement.

PARK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

NOTE 1: The Schedule of Expenditures of Federal Awards (SEFA) has been prepared on the GAAP basis of accounting consistent with the definition of federal awards expended as defined in the Uniform Guidance. Items with an asterisk (*) are major programs. The de minimis indirect cost method was not utilized.

NOTE 2: There were no loan/loan guarantees related to the SEFA.

OTHER INDEPENDENT AUDITORS' REPORTS

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

To the Board of County Commissioners
Park County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the component units, each major fund, and the aggregate remaining fund information of Park County (the County) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 9, 2021.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cover Florek & James, CPAs

February 9, 2021
Sheridan, Wyoming

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

To the Board of County Commissioners
Park County, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Park County's (the County) in compliance with the requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be material weaknesses.

The County's response to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Carver Flock & James, CPAs

February 9, 2021
Sheridan, Wyoming

PARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

SECTION I – Summary of the Auditor’s Results:

Financial Statements

An unmodified opinion was issued regarding the financial statements of Park County.

Internal control over financial reporting:

- Material weakness identified? ___ Yes X No
- Significant deficiency identified? ___ Yes X No

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? X Yes ___ No
- Significant deficiency identified? ___ Yes X No
- Audit finding required to be reported in accordance with 2 CFR 200.516(a)?
 ___ Yes X No

An unmodified report was issued regarding compliance for each major program and on internal control over compliance required by the OMB’s Uniform Guidance.

For the year ended June 30, 2020, the District had two major programs:

- Corona Virus Relief Funds, CFDA # 21.019
- Help America Vote Act Election Security, CFDA# 90.404

The threshold for Type A programs was \$750,000.

The District was determined to be a high-risk auditee.

PARK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
Year Ended June 30, 2020

SECTION II – GAGAS Financial Statement Findings – None Noted

SECTION III – Federal Awards Findings:

Findings:

2020-001 Criteria: The County should have proper controls in place over the preparation of the Schedule of Federal Awards (SEFA) to ensure accurate reporting of federal awards.

 Condition: We found that the SEFA prepared by the County did not report the non-cash federal assistance associated with the Help America Vote Act equipment received on their SEFA.

 Cause: The County’s procedure for evaluating the election equipment contribution passed through the State of Wyoming did not detect this non-cash assistance as a federal award.

 Effect: The preliminary SEFA did not include all expenditures of federal awards.

 Recommendation: We recommend that the County implement procedures to research all non-cash contributions in an effort to determine if the source of funding is from the Federal Government.

Corrective Action Plan:

Finding 2020-001:

Contact Person: Colleen Renner, County Clerk;

Corrective Action Planned: Please see following page for the County’s response to this finding.

SECTION IV – Summary Schedule of Prior Year Findings:

The audit report for the year ended June 30, 2019 contained no findings.

Colleen Renner
Park County Clerk
1002 Sheridan Ave
Cody, WY 82414



307-527-8600
307-754-8600
800-786-2844 ext. 8600

Email: crenner@parkcounty.us

Fax: 307-527-8626

January 27, 2021

Park County Audit 2019-20

Condition: We found that the SEFA prepared by the County did not report the non-cash federal assistance associated with the Help America Vote Act equipment received on their SEFA.

Response: The Clerk's office will send out an email immediately for departments to track any donations over \$1,000 or value thereof and report them to the Clerk immediately.

A June 1 yearly reminder will be sent to all departments to track the upcoming year and give notification in writing to the Clerk when they receive any type of donation/gift over \$1,000 value. We will then present these to the Auditors via the SEFA report if warranted.

Respectfully,

Colleen Renner
Park County Clerk