

CONVERSE COUNTY,
WYOMING

Financial Report

June 30, 2025





**CONVERSE COUNTY,
WYOMING**

Financial Report

June 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Converse County, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Converse County, Wyoming, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Converse County, Wyoming's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Converse County, Wyoming, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Memorial Hospital of Converse County, the Converse County Weed and Pest Control District, and the Converse County Airport Board, which represents 83 percent, 82 percent, and 98 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Memorial Hospital of Converse County, the Converse County Weed and Pest Control District, and the Converse County Airport Board, is based solely on the reports of the other auditors.

Basis for Opinions

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



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Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, infrastructure assets reported using the modified approach, budgetary comparison information, pension schedules, and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to

be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We, and other auditors, have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2026 on our consideration of Converse County, Wyoming's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Converse County, Wyoming's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and in considering Converse County, Wyoming's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
March 11, 2026

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**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

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

This section of Converse County, Wyoming's (County) annual financial report presents our discussion and analysis of financial performance during the fiscal year ended June 30, 2025. The selected financial data presented was derived from the financial statements of the County, which were audited by Porter, Muirhead, Cornia and Howard, Certified Public Accountants. The Independent Auditor's Report, financial statements and accompanying notes and supplementary information should be read in conjunction with the following discussion.

Financial Highlights

The County's total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources as of June 30, 2025, by \$258,487,125 (Net Position). Of this amount \$98,576,475 (Unrestricted Net Position) may be used to meet ongoing obligations, and \$153,604,336 is invested in capital assets, net of related debt.

As of June 30, 2025, the County's governmental funds reported combined fund balances of \$103,236,173. Unassigned fund balance of the governmental fund balance was \$(20,680,385).

The fund balance for the general fund was \$61,695,252 as of June 30, 2025, with an unassigned fund balance of \$(33,438,832).

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

The purpose of the statement of activities is to present all the revenues and expenses of the County. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a private sector business in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred by the County.

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

Government-Wide Financial Statements (Continued)

Revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have been paid during the current period.

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

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

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

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

Fund Financial Statements

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

Governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures, and change in fund balances. The statements are prepared on an accounting basis that is significantly different from those used to prepare the governmental financial statements. All of the County programs are included in the governmental funds, which focus on how cash and other financial assets can readily be converted to cash flow in and out in a short period of time. For example, amounts reported on the balance sheet include items such as cash and receivables collectable within a short period of time, but do not include capital assets such as land and buildings.

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

Fund Financial Statements (Continued)

Fund liabilities include amounts that are to be paid in a short period after the end of the fiscal year. The difference between a fund's total assets and total liabilities is labeled as the fund balance. The fund balance generally indicates the amount that can be used to finance next year's activities. The operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid in cash, respectively, during the current period or very shortly after the end of the year.

Consequently, the governmental funds statements provide a short-term view that helps determine if there are more or fewer financial resources to finance the County's programs. Because this information does not encompass the long-term focus of the government-wide statements, we provide an analysis of the balance sheet reconciling the total fund balances to the amount of net position reported in the statement of net position. Also, there is an analysis of the statement of revenues, expenditures, and changes in fund balances that reconciles to the change in net position presented in the government-wide statement of activities.

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

The County uses a proprietary fund to account for its medical insurance activity. A proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Internal Service Fund.

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

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

Required Supplementary Information is presented concerning the County's General Fund and Joint Justice Center Joint Powers Board budgets. The County adopts an annual budget for all funds. A budgetary comparison schedule has been provided to demonstrate compliance with this budget. Required Supplementary Information also includes infrastructure assets reported using the modified approach, schedules of changes in net pension liability, ratios and pension contributions.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets and deferred outflows exceeded liabilities and deferred inflows by \$258,487,125. A large portion of the County's net position (approximately 60%) reflects its investment in capital assets. The vast majority of these capital assets are the County's roads and bridges. These assets are not available for future spending. The unrestricted net position of \$98,576,475 (38%) may be used to meet the County's ongoing obligations.

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

Government–Wide Financial Analysis (Continued)

The County’s net position for the governmental activities as of June 30, 2025, was as follows:

	2025	2024	Variance
ASSETS			
Current assets	\$ 175,957,293	\$ 168,088,010	\$ 7,869,283
Capital assets, net of accumulated depreciation	155,102,305	132,326,262	22,776,043
Total assets	<u>331,059,598</u>	<u>300,414,272</u>	<u>30,645,326</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>2,318,127</u>	<u>3,084,557</u>	<u>(766,430)</u>
LIABILITIES			
Current liabilities	8,435,246	8,240,101	(195,145)
Unearned property tax revenue	43,713,954	40,076,773	(3,637,181)
Due in more than one year	10,567,174	10,993,848	426,674
Total liabilities	<u>62,716,374</u>	<u>59,310,722</u>	<u>(3,405,652)</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	8,678,291	8,705,575	27,284
Pension items	3,495,935	3,921,126	425,191
	<u>12,174,226</u>	<u>12,626,701</u>	<u>452,475</u>
NET POSITION			
Net investment in capital assets	153,604,336	131,107,028	22,497,308
Restricted	6,306,314	5,630,904	675,410
Unrestricted	98,576,475	94,823,474	3,753,001
Total net position	<u>\$ 258,487,125</u>	<u>\$ 231,561,406</u>	<u>\$ 26,925,719</u>

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

Government–Wide Financial Analysis (Continued)

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

	2025	Percentage	2024	Percentage	Variance
Revenues					
General					
Taxes					
Property	\$ 43,215,263	57.7%	\$ 52,722,358	58.1%	\$ (9,507,095)
Sales	13,144,994	17.5%	14,092,555	15.6%	(947,561)
Other	6,092,369	8.1%	4,367,383	4.8%	1,724,986
Payments in lieu of taxes	637,575	0.9%	959,473	1.1%	(321,898)
Investment income	5,874,551	7.8%	5,413,975	6.0%	460,576
Miscellaneous	113,591	0.2%	290,432	0.3%	(176,841)
Program Revenues					
Charges for services	3,634,495	4.9%	4,135,405	4.6%	(500,910)
Operating grants and contributions	2,180,886	2.9%	7,298,542	8.1%	(5,117,656)
Capital grants contributions	65,000	0.1%	1,265,540	1.4%	(1,200,540)
Total revenues	<u>74,958,724</u>	<u>100.0%</u>	<u>90,545,663</u>	<u>100.0%</u>	<u>(15,586,939)</u>
Expenses					
General government	19,879,820	41.4%	16,059,795	37.7%	3,820,025
Public safety	9,505,725	19.8%	7,742,618	18.2%	1,763,107
Public safety - Joint Justice Center	2,019,546	4.2%	1,782,867	4.2%	236,679
Public works	14,990,651	31.2%	15,683,225	36.8%	(692,574)
Health, welfare, and recreation	1,439,952	3.0%	1,143,169	2.7%	296,783
Conservation of natural resources	197,311	0.4%	163,514	0.4%	33,797
Total expenses	<u>48,033,005</u>	<u>100.0%</u>	<u>42,575,188</u>	<u>100.0%</u>	<u>5,457,817</u>
Changes in net position	26,925,719		47,970,475		<u>\$ (21,044,756)</u>
Net position, beginning of year	<u>231,561,406</u>		<u>183,590,931</u>		
Net position, end of year	<u>\$ 258,487,125</u>		<u>\$ 231,561,406</u>		

Financial Analysis of the County’s Funds

The County’s activities are contained in the General, County Roads, Capital Projects, Joint Justice Center Joint Powers Board, and other non-major special revenue funds. As previously mentioned, the focus of the County’s governmental funds is to provide information on the near-term inflows, outflows and balances of expendable resources. At June 30, 2025, the County’s governmental funds reported combined fund balances of \$103,236,173.

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

Financial Analysis of the County's Funds (Continued)

The General Fund serves as the County's primary operating fund. While the County has continued to experience positive revenue growth, the rate of growth has moderated over the past three fiscal years. Revenues increased by 39.7% in FY 2023, 29.3% in FY 2024, and 10.7% in FY 2025.

The General Fund began the fiscal year with a balance of approximately \$56 million. As of June 30, 2025, the total fund balance was \$61,695,252. The unassigned General Fund balance at year-end was \$(33,438,832). The negative unassigned balance is attributable to unreconciled mineral tax payments.

Mineral tax revenues are collected monthly prior to the annual mill levy being set in August. These revenues will be reconciled to the approved mill levy in September 2025 (FY 2026).

The County Road Fund is used to account for the construction and maintenance of County roads not financed through the General Fund. As of June 30, 2025, the County Road Fund reported a fund balance of \$24,269,292, representing a 34.85% decrease from the prior year ending fund balance of \$37.3 million in FY 2024.

County road maintenance and construction projects accounted for 88.1% of the County's total capital outlay in FY 2025, representing a 76% increase compared to FY 2024. Expenditures totaled approximately \$29.4 million in FY 2025, compared to \$16.7 million in FY 2024.

Major capital and infrastructure projects undertaken during the current fiscal year represent a significant increase of the County's expenditures. Some of these projects include:

- Chalk Buttes Road and Ridgewater Road Reconstruction — The project was budgeted at \$7,000,000, with final expenditures expected to be \$7,503,234. The project is expected to be completed in FY 2026.
- Boxelder Road Reconstruction – Phase II — Budgeted at \$5,602,000, with final expenditures of \$4,989,166. The project was completed in FY 2025.
- Colter Trail Paving Project — Budgeted at \$1,500,000, with final expenditures expected to be \$1,408,661. The project is expected to be completed in FY 2026.
- Jenne Trail Road Reconstruction – Phase II — Budgeted at \$13,377,000, with total project costs to date of \$12,765,289. The project is expected to be completed in FY 2026.
- Jenne Trail Road Reconstruction – Phase III — Budgeted at \$13,377,000, design and planning activities commenced in FY 2025; however, construction is not anticipated to begin until FY 2026.

Additional notable road projects budgeted in FY 2025 included \$1.0 million for maintenance on Windy Ridge, \$1.7 million for gravel on Cold Springs Road, \$4.6 million for gravel on Highland Loop, and \$2.3 million for gravel on Twenty Mile Creek Road.

The County received funding under the Congestion Mitigation and Air Quality (CMAQ) program to partially offset costs associated with projects on Ross Road, Jenne Trail, and Esterbrook Road. The CMAQ program provides federal funding for transportation projects and programs that contribute to improved air quality. The County utilizes these funds to reduce fine particulate matter generated from unpaved roads. Total reimbursements received under this program during FY 2025 amounted to \$170,456.

During FY 2025, the County received funding under the federal High Risk Rural Roads (HRRR) grant program to install an estimated 963 delineator posts along East Antelope, Anderson Dairy Rd, Deer Creek, and Natural Bridge Rd. The total grant award was \$110,509. Of this amount, \$75,663 was expended during the fiscal year.

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

Financial Analysis of the County’s Funds (Continued)

Grant reimbursements totaled \$68,468, with the remaining \$7,196 representing the County’s required local match.

The Capital Projects Fund is used to account for major construction projects throughout the County, which are financed primarily through transfers from the General Fund. As of June 30, 2025, the Capital Projects Fund reported a total fund balance of \$12,748,391, compared to a prior year balance of \$(45,393). During FY 2025, transfers totaling \$15,410,442 were made to fund projects spanning FY 2025 and FY 2026. Significant projects include the John Lambert Sewer and Water Improvement Project, construction of the Animal Shelter, Natural Bridge Irrigation Replacement, and renovation of the existing Courthouse.

The Joint Justice Center Joint Powers Board is a blended component unit of the County and is reported as a special revenue fund. It accounts for the operations of the Converse County Joint Justice Center (CCJJC). The County holds a 74% ownership interest and is responsible for 74% of the CCJJC’s expenditures, with the City of Douglas responsible for the remaining 26%.

Total governmental fund revenues for the fiscal year ended June 30, 2025, were approximately \$76.4 million, representing a 15.4% decrease from FY 2024.

The decline in revenues was anticipated. The 2024 tax valuation decreased from a record-setting \$4.38 billion in 2023 to \$3.56 billion in 2024, resulting in lower property tax revenues. Intergovernmental revenues also declined. In FY 2023, the County entered into an agreement with Eastern Wyoming College, the City of Douglas, and the Town of Glenrock for an Economic Development Administration (EDA) grant. Revenues received from these entities for matching requirements increased reported intergovernmental revenues in FY 2023, creating a higher comparative base.

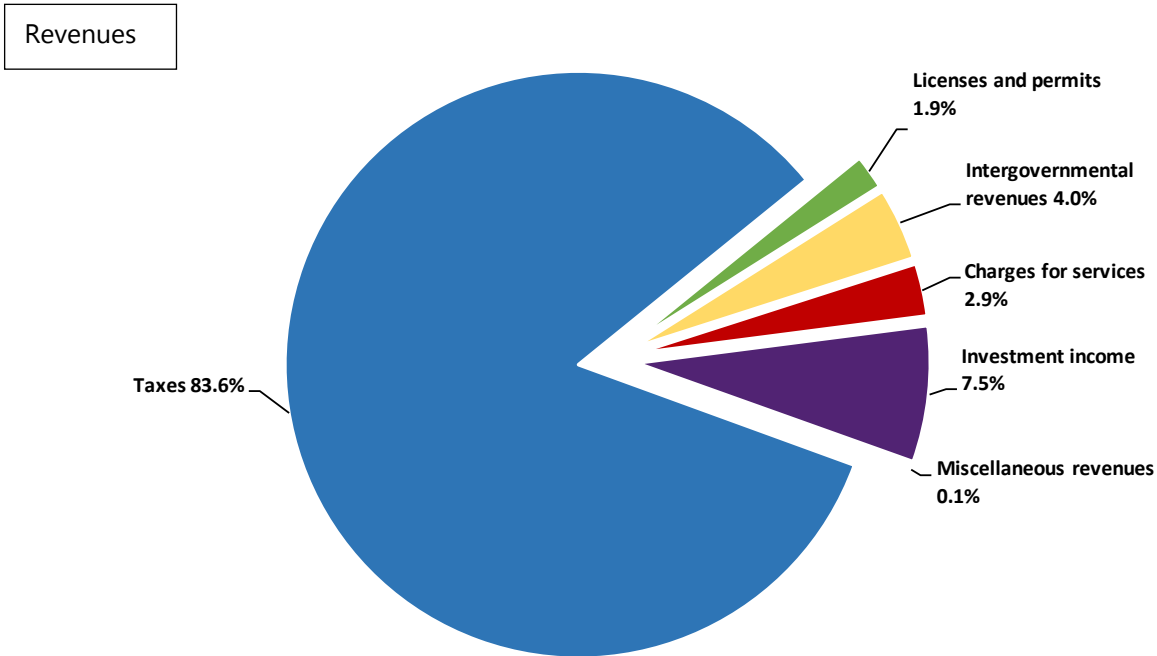
The following schedule presents revenues by source.

Revenues	2025	Percentage	2024	Percentage	Variance
Taxes	\$ 63,920,512	83.6%	\$ 73,346,852	81.2%	\$ (9,426,340)
Licenses and permits	1,411,446	1.9%	1,721,601	1.9%	(310,155)
Intergovernmental revenues	3,073,363	4.0%	7,329,606	8.1%	(4,256,243)
Charges for services	2,223,049	2.9%	2,413,804	2.7%	(190,755)
Investment income	5,756,995	7.5%	5,320,301	5.9%	436,694
Miscellaneous revenues	69,311	0.1%	167,916	0.2%	(98,605)
Total revenues	<u>\$ 76,454,676</u>	<u>100.0%</u>	<u>\$ 90,300,080</u>	<u>100.0%</u>	<u>\$ (13,845,404)</u>

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

Financial Analysis of the County’s Funds (Continued)



Total governmental fund expenditures for Fiscal Year 2025 were \$70,542,401. Capital outlay and General Government remained the County’s largest expenditure categories, representing 47.3% and 28.3% of total governmental fund expenditures, respectively. These expenditures primarily reflect county operations, road maintenance and construction activities, and capital improvement projects.

Overall governmental fund expenditures increased from \$54.6 million in FY 2024 to \$70.5 million in FY 2025, representing an increase of 29.3%. The increase is primarily attributable to expanded road construction and maintenance efforts, as well as significant capital construction activity undertaken during the fiscal year.

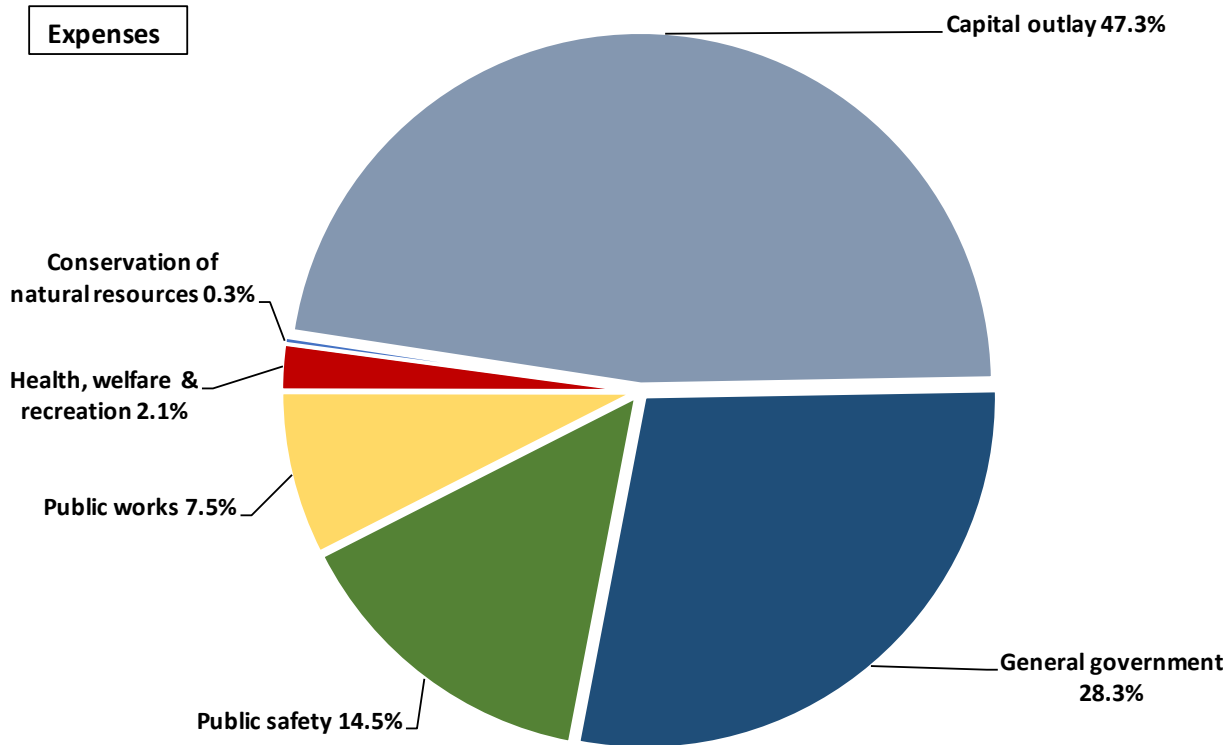
The following schedule presents expenditures by activities.

Expenditures	2025	Percentage	2024	Percentage	Variance
Current					
General government	\$ 19,944,224	28.3%	\$ 15,929,856	29.1%	\$ 4,014,368
Public safety	10,197,922	14.5%	8,597,912	15.8%	1,600,010
Public works	5,321,707	7.5%	5,325,231	9.8%	(3,524)
Health, welfare and recreation	1,497,867	2.1%	1,261,458	2.3%	236,409
Conservation of natural resources	195,056	0.3%	161,920	0.3%	33,136
Capital outlay	33,385,625	47.3%	23,298,378	42.7%	10,087,247
Total expenditures	<u>\$ 70,542,401</u>	<u>100.0%</u>	<u>\$ 54,574,755</u>	<u>100.0%</u>	<u>\$ 15,967,646</u>

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

Financial Analysis of the County’s Funds (Continued)



As of June 30, 2025, the County reported total reserves of approximately \$94 million, representing an increase of \$19.4 million from FY 2024. These reserves are allocated as follows: Operating Reserve — \$3.9 million, Building Reserve — \$47.7 million, Equipment Reserve — \$11.2 million, Salary Reserve — \$4.4 million, Depreciation Reserve — \$1.2 million, Ad Valorem Stabilization Fund — \$25.5 million.

The Ad Valorem Stabilization Fund was established in 2023 in response to changes in the collection timing of mineral taxes. Due to consistent monthly collections, the County did not utilize these reserves during FY 2025, and no additional contributions were budgeted.

Navajo Transitional Energy Company (NTEC), the purchaser of the North Antelope coal mine, continues to remit monthly payments toward approximately \$8 million in delinquent property taxes resulting from the bankruptcy of the former owner, Cloud Peak Energy. As of June 30, 2025, the outstanding balance for all tax years was less than \$2 million.

Capital Assets

Capital assets increased by 17.2%, from \$132.3 million at June 30, 2024, to \$155.1 million at June 30, 2025. The increase was primarily attributable to growth in infrastructure assets, which increased by 29.1%, and construction in progress, which increased by 24.9%. These categories accounted for the majority of the overall increase in capital assets and reflect the County’s continued investment in road improvements and other capital construction projects during the fiscal year.

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

Capital Assets (Continued)

Significant infrastructure activity during FY 2025 included Phase II & III of the Jenne Trail reconstruction project and a multi-phase reconstruction of Boxelder Creek Road, which will extend into future fiscal years. Funding sources include overweight and oversize permit revenues.

Other construction and infrastructure projects included: Ayres Natural Bridge Park Irrigation Replacement Project, Lambert Subdivision Sewer and Water Improvement Project, Chalk Buttes/Ridgewater Road Reconstruction Project (design initiated in FY 2024), and Colter Trail Paving Project, the Animal Shelter Expansion Project, and a Level I and Level II study in preparation for future renovation of the Courthouse.

Capital equipment acquisitions included two police-package Chevrolet Tahoe's at \$54,516 each and one additional Sheriff's vehicle at \$59,468. The County also purchased two snowplows at \$280,000 each. Three county vehicles were sold via public auction in early 2025 for a total of \$38,229.

During FY 2025, the Sheriff's Department received funding through the Homeland Security Grant Program for the acquisition of a court security X-ray scanner. The total grant award was \$51,622. Eligible expenditures under the program totaled \$51,495, which were reimbursed by the grant.

In January 2025, the County acquired property located at 215 South 4th Street, Glenrock, for \$157,000. The property is intended to house some County offices in the future.

Additional information on Converse County's capital assets can be found in Note 6.

Debt Administration

At June 30, 2025, the County reported total long-term obligations of \$11,567,005, consisting of note obligations, incurred but not reported claims payable, compensated absences, and net pension liability. The net pension liability of \$9,116,731 represents the County's proportionate share of the unfunded liability of the State of Wyoming Retirement System, a cost-sharing, multiple-employer public employee retirement system.

Note obligations include loans issued on behalf of the Conservation District (\$250,000), Weed and Pest District (\$300,000), and Glenrock Cemetery District (\$410,000). Repayment began in December 2023. Each borrowing entity is required to remit 8% payments to the State of Wyoming. As of June 30, 2025, the Conservation and Weed and Pest District's notes were paid in full, with \$344,400 remaining outstanding for the Glenrock Cemetery District.

More information on the County's long-term debt can be found in Note 8.

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

Property Tax

Converse County participated in the property tax refund program for the 2023 tax year. Refund applications were processed and paid in October 2024. A total of 470 applicants received refunds totaling \$236,773, funded by the General Fund.

Mineral tax payments are received monthly and are based on the prior-year's mill levies and estimated values. The reconciliation of mineral taxes for the 2024 tax year (done in FY2025) resulted in an overpayment of \$2,544,042. As of June 30, 2025, 67.6% of the overpayment had been refunded to the taxpayer, with \$364,072 remaining payable.

Tax Year 2024 was the first year in which the 4% residential assessment cap established under House Bill 45 was applied. The legislation limits year-over-year increases in residential property tax valuations. As a result, the County's taxable market value was reduced by approximately \$12.7 million.

Fiscal Year 2025 Budget

Revenues for FY 2025 were projected to decline from the prior year total of \$81.6 million. In anticipation of reduced collections, the General Fund adopted a budget of \$68.7 million. Actual revenues for FY 2025 totaled \$75,506,961, exceeding the budgeted amount.

FY 2025 reflected a decline in assessed valuation from a record \$4.3 billion in 2023 to \$3.56 billion in 2024. Despite the reduction in valuation and related revenues, the County expended just over \$30.0 million on road construction and maintenance and transferred \$15.4 million to the Capital Projects Fund to support major construction initiatives, including the Animal Shelter, Courthouse renovation planning, and the John Lambert Subdivision infrastructure project.

Although the County had significant capital and infrastructure expenditures, the County increased reserve balances during the fiscal year, budgeting contributions of \$1.5 million to the Building and Maintenance Reserve, \$250,000 to the Equipment Reserve, and \$250,000 to the Salary Reserve.

During FY 2025, mineral tax reconciliation for the 2024 tax year had no significant impact on the General Fund. Estimated mineral tax payments totaled \$34,403,301, compared to actual reconciled collections of \$34,381,175.

Construction of the Cedar Springs IV project began in October 2023. The County received monthly impact payments of \$99,164 from November 2023 through March 2025, totaling approximately \$1.69 million. These funds were utilized in FY 2025 for road repair and maintenance (including Willow Creek Road and Ross Road), cattle guard replacements, and supplemental law enforcement, ambulance, and fire protection services associated with project impacts.

The County began receiving opioid settlement distributions from various pharmaceutical manufacturers, distributors, and pharmacies in FY 2023. For FY 2025, the County budgeted \$128,000 in anticipated settlement revenue; however, actual receipts totaled \$142,288, exceeding budgeted expectations.

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

Next Year's Budget and Rates

The County finished Fiscal Year 2025 in good shape, budgeting \$68.7 million in revenue and receiving \$75.5 million. In the Fiscal Year 2026 budget, the County is anticipating a revenue decrease, budgeting \$63.5 million, a drop of 4.8%, in spite of the overall county valuation bouncing back from a significant decline, increasing from \$3.56 billion to \$3.8 billion.

The revenue decrease stems largely from an anticipated drop in oil prices, which averaged \$71.39 per barrel in Fiscal Year 2025 but dropped to \$63.36 per barrel in the first half of Fiscal Year 2026. Since oil represents 74% of the county's overall value, the drop resulted in a lower revenue projection in spite of the increased certified value, which represents mineral sales from the prior year.

Expenditures for Fiscal Year 2026 were budgeted 11% higher than FY 2025, rising from \$42.6 million to \$47.5 million. The increase is attributable to road projects and ongoing capital projects. For example, the County budgeted \$22 million for the reconstruction of Jenne Trail, \$2.5 million for improvements on Walker Creek Road, and \$7 million to reconstruct Chalk Buttes Road, just to name a few. Capital projects include the ongoing construction of the Animal Shelter, a contribution towards the Eastern Wyoming College Trades Addition, and the purchase of a building in Glenrock that will eventually house county offices. In all, \$4.4 million was transferred from the General Fund to the Capital Construction Fund for projects.

The County also added to reserves, transferring \$2.75 million to the Building & Maintenance Reserve, \$1 million to the Equipment Reserve, and \$250,000 to the Salary Reserve.

Economic Factors

The County's future revenues are heavily reliant on mineral production and price, especially oil, which has been steadily declining in price over the last eighteen months. The price per barrel began calendar year 2025 at \$70.45 and ended the year at \$57.97. In the most recent six months, it averaged \$61.30. Wyoming's Consensus Revenue Estimating Group (CREG) is estimating that oil prices will hover between \$60 and \$70 per barrel between 2025 and 2030, which should result in fairly steady oil revenues for the county.

The resulting monthly mineral payments received from the Department of Revenue reflect these trends. The County received \$37.4 million in mineral payments in Fiscal Year 2025 and has averaged \$2.92 million per month in Fiscal Year 2026, projecting to a total of \$34.3 million. If oil prices stabilize as CREG projects, the County's revenue should remain fairly stable, between \$34 and \$39 million, through 2030.

Converse County continues to lead the state in oil production, with 44.4 million barrels produced in Fiscal Year 2025 and a projection of 52 million barrels in Fiscal Year 2026. CREG is estimating stable oil production through 2030, which should mean a stable revenue foundation for the County.

Natural gas valuation peaked in Converse County in 2023, at \$610 million, reflecting prices around \$7.00 per million cubic feet (mcf) of gas. The price has dropped drastically since then, averaging \$2.48 per mcf in Fiscal Year 2025 and \$3.79 per mcf in Fiscal Year 2026. The result was a \$262 million natural gas valuation for tax year 2025. CREG is estimating that natural gas prices in the state will be steady around \$4.00 per mcf through 2030. With stable natural gas production, averaging around 9 million mcf, natural gas revenues should be stable through 2030.

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

Economic Factors (Continued)

Other minerals should also supplement future revenues. Converse County has not had any coal production since 2021, but in August of 2025, the Department of the Interior approved a mining plan that unlocked 14.5 million tons of federally owned coal at the Antelope Mine, which is operated by Navajo Transitional Energy Company (NTEC). The decision effectively extends the life of the mine through 2037 and should result in future coal production in Converse County, likely beginning in 2028. The coal market estimates from CREG are soft, expecting prices to sag from \$14 per ton in 2025 to \$13.75 per ton in 2030, so it remains to be seen how much revenue will result from renewed coal production.

Renewable energy projects in the county, which have been a revenue supplement for the last ten years, have stalled. Although the Cedar Springs IV wind farm came online in late 2025, other projects that were expected to begin construction in Fiscal Year 2026 have been pushed back.

The Dutchman Renewable Solar Energy Facility, a \$97 million, 4,738-acre solar farm was to begin construction in late 2025 but has been pushed back to 2027. The Settler Wind Farm, a 13,000-acre, \$233 million dollar project that was projected to begin construction in the second half of 2025 has been postponed until at least November 2027. The Pronghorn Clean Hydrogen & Fuels Project, a \$1.7 billion facility to generate hydrogen, became controversial for its use of state land and has pivoted away from hydrogen towards a wind farm, solar farm and perhaps a data center. Its construction schedule is now unknown.

While the construction delays are due to many factors, the uncertainty of federal subsidies is certainly playing a role, after the administration announced in October 2025 that they were canceling \$7.6 billion in grants for renewable projects across the country.

The result of the project delays is that sales tax revenues have been down, especially in sectors representing industrial projects. In Fiscal Year 2025, the county averaged \$7.4 million per month in sales tax collections, with wholesale sales making up 14% of the total. In Fiscal Year 2026, the county has so far averaged \$5.5 million monthly, with the wholesale sector accounting for 7% of overall collections.

Sales taxes from the mineral sector have also been down, averaging \$2.7 million per month in FY 2025 and \$1.6 million monthly in FY 2026, a 40% decrease. However, there are signs that new exploration, which drives sales tax revenues, is picking up in the county. In February 2026, there were 11 drilling rigs in the State of Wyoming, with 6 operating in Converse County.

Overall, barring unforeseen events like a war in the Middle East, County revenues are expected to remain steady and solid through 2030.

Conclusion

The above discussion and analysis are presented to provide additional information regarding the activities of the County and also to meet the disclosure requirements. We believe that all requirements of governmental GAAP have been met as it applies to the County. This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. If you have questions about the report or need additional financial information, contact Converse County's Treasurer at 107 N 5th Street, Suite 129, Douglas, Wyoming 82633.

Three of the County's component units issue financial statements. Financial statements can be obtained for the Memorial Hospital of Converse County, the Converse County Airport Board and the Converse County Weed and Pest District by contacting each entity directly.



**BASIC
FINANCIAL
STATEMENTS**

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Converse County, Wyoming

June 30, 2025

Statement of Net Position

	Primary Government Governmental Activities	Component Units Total
ASSETS		
Cash and cash equivalents	\$ 37,831,786	\$ 11,226,372
Cash held by fiscal agent	-	142,800
Investments	115,645,165	4,211,864
Property and other taxes receivable	16,045,240	579,398
Accounts receivable, net \$13,679,000 uncollectible	172,240	36,993,043
Accrued interest receivable	712,945	-
Due from other governments	4,188,201	-
Lease receivable, current portion	-	6,428
Inventory	658,612	4,118,761
Prepaid items and other assets	-	1,404,555
Due from primary government	-	552,784
Restricted cash and cash equivalents, noncurrent	703,104	98,799
Restricted investments, noncurrent	-	14,523,622
Other assets, noncurrent	-	278,852
Lease receivable, noncurrent	-	56,816
Beneficial interest in assets held by others	-	298,690
Capital assets not being depreciated	111,879,179	15,050,670
Capital assets being depreciated, net of accumulated depreciation	43,223,126	53,984,822
Total assets	<u>331,059,598</u>	<u>143,528,276</u>
DEFERRED OUTFLOWS OF RESOURCES		
Excess of acquisition over consideration	-	46,276,782
Pension plan items	2,318,127	155,921
Total deferred outflows of resources	<u>2,318,127</u>	<u>46,432,703</u>
LIABILITIES		
Accounts payable and accrued liabilities	6,690,627	16,023,997
Retainage payable	646,372	-
Due to other governments	98,416	-
Unearned property tax revenue	43,713,954	-
Noncurrent liabilities		
Due within one year	999,831	10,770,931
Due in more than one year	10,567,174	29,713,094
Total liabilities	<u>62,716,374</u>	<u>56,508,022</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable property tax revenue	8,678,291	1,043,734
Lease receivable	-	61,359
Pension plan items	3,495,935	192,275
Total deferred inflows of resources	<u>12,174,226</u>	<u>1,297,368</u>
NET POSITION		
Net investment in capital assets	153,604,336	63,857,798
Restricted by		
State statutes (W.S. 24-2-110)	4,041,572	-
Grantors and others	2,264,742	-
Voters	-	2,357,524
Donor - expendable	-	9,039,668
Donor - nonexpendable	-	581,927
Unrestricted	98,576,475	56,318,672
Total net position	<u>\$ 258,487,125</u>	<u>\$ 132,155,589</u>

See accompanying notes to the financial statements

Converse County, Wyoming
Year Ended June 30, 2025
Statement of Activities

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
General government	\$ 19,879,820	\$ 2,427,818	\$ 1,568,812	\$ 65,000
Public safety	9,505,725	232,996	109,393	-
Public safety - Joint Justice Center	2,019,546	765,542	-	-
Public works	14,990,651	-	68,822	-
Health, welfare, and recreation	1,439,952	208,139	433,859	-
Conservation of natural resources	197,311	-	-	-
Total primary government/ governmental activities	<u>\$ 48,033,005</u>	<u>\$ 3,634,495</u>	<u>\$ 2,180,886</u>	<u>\$ 65,000</u>
Component units	<u>\$ 149,706,229</u>	<u>\$ 146,440,105</u>	<u>\$ 8,877,538</u>	<u>\$ 4,690,996</u>
		General revenues		
		Property taxes		
		Sales taxes		
		Other taxes		
		Payments in lieu of taxes		
		Unrestricted investment income		
		Gain on sale capital assets		
		Miscellaneous		
		Total general revenues		
		Change in net position		
		Net position, beginning as previously reported		
		Adoption of GASB 101		
		Net position, beginning, as restated		
		Net position, end of year		

Net (Expense) Revenue and
Changes in Net Position

Primary
Government

Governmental Activities	Component Units Totals
\$ (15,818,190)	\$ -
(9,163,336)	-
(1,254,004)	-
(14,921,829)	-
(797,954)	-
(197,311)	-
(42,152,624)	-
-	10,302,410
43,215,263	1,333,027
13,144,994	-
6,092,369	-
637,575	-
5,874,551	1,322,063
44,280	(34,642)
69,311	55,512
69,078,343	2,675,960
26,925,719	12,978,370
231,561,406	119,190,104
-	(12,885)
231,561,406	119,177,219
\$ 258,487,125	\$ 132,155,589

Converse County, Wyoming
June 30, 2025
Balance Sheet - Governmental Funds

	General Fund	County Roads Fund	Capital Projects Fund
ASSETS			
Cash and cash equivalents	\$ 24,118,461	\$ 8,047,720	\$ 1,483,925
Investments	80,716,562	18,522,615	12,478,829
Property and other taxes receivable	16,044,936	-	-
Accounts receivable, net	161,428	-	-
Accrued interest receivable	497,881	114,300	76,530
Due from other governments	3,259,928	31,981	953
Due from other funds	52,180	-	-
Restricted cash and cash equivalents	-	-	-
Inventory	-	658,612	-
Total assets	<u>\$ 124,851,376</u>	<u>\$ 27,375,228</u>	<u>\$ 14,040,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued liabilities	\$ 2,604,092	2,502,905	1,235,032
Due to other funds	5,525	13,473	-
Due to other governments	98,416	-	-
Retainage payable	-	589,558	56,814
Unearned property tax revenue	43,713,954	-	-
Total liabilities	<u>46,421,987</u>	<u>3,105,936</u>	<u>1,291,846</u>
Deferred inflows of resources			
Unavailable property tax revenue	15,964,137	-	-
Unavailable other revenue	770,000	-	-
Total deferred inflows of resources	<u>16,734,137</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable			
Inventory	-	658,612	-
Restricted			
Grantors and others	1,140,000	-	-
State statutes (W.S. 24-2-110)	-	4,041,572	-
Committed			
Joint Justice Center Joint Powers Board	-	-	-
Assigned			
	93,994,084	19,569,108	-
Unassigned			
	(33,438,832)	-	12,748,391
Total fund balances	<u>61,695,252</u>	<u>24,269,292</u>	<u>12,748,391</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 124,851,376</u>	<u>\$ 27,375,228</u>	<u>\$ 14,040,237</u>

Joint Justice Center Joint Powers Board	Total Nonmajor Special Revenue Funds	Total Governmental Funds
\$ 1,298,896	\$ 395,496	\$ 35,344,498
2,105,922	-	113,823,928
-	304	16,045,240
6,504	4,308	172,240
12,995	-	701,706
113,600	437,339	3,843,801
-	4,768	56,948
-	703,104	703,104
-	-	658,612
<u>\$ 3,537,917</u>	<u>\$ 1,545,319</u>	<u>\$ 171,350,077</u>
149,947	\$ 29,797	\$ 6,521,773
-	37,950	56,948
-	-	98,416
-	-	646,372
-	-	43,713,954
<u>149,947</u>	<u>67,747</u>	<u>51,037,463</u>
-	304	15,964,441
-	342,000	1,112,000
-	<u>342,304</u>	<u>17,076,441</u>
-	-	658,612
-	1,124,742	2,264,742
-	-	4,041,572
3,387,970	-	3,387,970
-	470	113,563,662
-	10,056	(20,680,385)
<u>3,387,970</u>	<u>1,135,268</u>	<u>103,236,173</u>
<u>\$ 3,537,917</u>	<u>\$ 1,545,319</u>	<u>\$ 171,350,077</u>

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

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

Total fund balances - governmental funds		\$ 103,236,173
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Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund statements. As capital assets used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in the governmental funds. This is the total capital assets net of accumulated depreciation reported in the government-wide statements.		155,102,305
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Since the focus of governmental fund statements is on short-term financing, some assets will not be available to pay for current expenditures. Those assets are offset by unavailable revenue in the governmental funds and are not included in the governmental fund balances.

Difference in unavailable other revenue	\$ 1,112,000		
Difference in unavailable property tax revenue	7,286,150		8,398,150

An internal service fund is used by management to charge the cost of medical insurance to individual funds. Assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		3,790,910
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Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

Pension plan items - deferred outflows of resources	2,318,127		
Pension plan items - deferred inflows of resources	(3,495,935)		(1,177,808)

Long-term liabilities exceed the amount that is due and payable in the current period and are not reported in the governmental funds.

Compensated absences	(894,277)		
Net pension liability	(9,116,731)		
Lease purchase obligation	(851,597)		(10,862,605)

Net position of governmental activities			\$ 258,487,125
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Converse County, Wyoming

Year Ended June 30, 2025

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

	General Fund	County Roads Fund	Capital Projects Fund
Revenues			
Taxes	\$ 63,450,415	\$ 470,097	\$ -
Licenses and permits	1,411,446	-	-
Intergovernmental	1,639,811	355	-
Charges for services	1,329,699	-	-
Investment income	4,427,374	1,061,274	141,180
Miscellaneous	67,211	-	-
Total revenues	<u>72,325,956</u>	<u>1,531,726</u>	<u>141,180</u>
Expenditures			
Current			
General government	19,853,088	-	-
Public safety	7,742,725	-	-
Public works	5,284,977	-	-
Health, welfare, and recreation	1,318,225	-	-
Conservation of natural resources	195,056	-	-
Capital outlay	1,213,481	29,414,306	2,757,838
Total expenditures	<u>35,607,552</u>	<u>29,414,306</u>	<u>2,757,838</u>
Excess (deficiency) of revenues over expenditures	<u>36,718,404</u>	<u>(27,882,580)</u>	<u>(2,616,658)</u>
Other financing sources (uses)			
Transfers in	439,489	14,901,164	15,410,442
Transfers out	(31,160,161)	-	-
Proceeds from sale of capital assets	44,280	-	-
Total other financing sources (uses)	<u>(30,676,392)</u>	<u>14,901,164</u>	<u>15,410,442</u>
Net changes in fund balances	6,042,012	(12,981,416)	12,793,784
Fund balances, beginning of year	55,653,240	37,250,708	(45,393)
Fund balances, end of year	<u>\$ 61,695,252</u>	<u>\$ 24,269,292</u>	<u>\$ 12,748,391</u>

Joint Justice Center Joint Powers Board	Total Nonmajor Special Revenue Funds	Total Governmental Funds
\$ -	\$ -	\$ 63,920,512
-	-	1,411,446
-	1,433,197	3,073,363
765,542	127,808	2,223,049
122,867	4,300	5,756,995
-	2,100	69,311
<u>888,409</u>	<u>1,567,405</u>	<u>76,454,676</u>
-	91,136	19,944,224
2,098,706	356,491	10,197,922
-	36,730	5,321,707
-	179,642	1,497,867
-	-	195,056
-	-	33,385,625
<u>2,098,706</u>	<u>663,999</u>	<u>70,542,401</u>
<u>(1,210,297)</u>	<u>903,406</u>	<u>5,912,275</u>
1,361,535	1,201	32,113,831
-	(953,670)	(32,113,831)
-	-	44,280
<u>1,361,535</u>	<u>(952,469)</u>	<u>44,280</u>
151,238	(49,063)	5,956,555
3,236,732	1,184,331	97,279,618
<u>\$ 3,387,970</u>	<u>\$ 1,135,268</u>	<u>\$ 103,236,173</u>

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

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

Net change in fund balances - total governmental funds \$ 5,956,555

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

These changes are detailed as follows:

Capital asset acquisitions expended in the governmental funds	\$ 25,551,144	
Depreciation expense for the year	(2,738,446)	
Loss on disposal of capital assets	(36,655)	22,776,043

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

Deferred outflows - pension plan items - prior year	(3,084,557)	
Deferred outflows - pension plan items - current year	2,318,127	
Deferred inflows - pension plan items - prior year	3,921,126	
Deferred inflows - pension plan items - current year	(3,495,935)	(341,239)

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

This is the net effect of these differences in the treatment of long term-debt:

Principal payments on lease purchase obligation	114,783	
Liability for compensated absences - prior year	468,172	
Liability for compensated absences - current year	(894,277)	
Net pension liability - prior year	9,215,689	
Net pension liability - current year	(9,116,731)	(212,364)

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

469,511

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

Difference in unavailable other revenue - prior year	(1,834,476)	
Difference in unavailable other revenue - current year	1,112,000	
Difference in unavailable property tax revenue - prior year	(8,286,461)	
Difference in unavailable property tax revenue - current year	7,286,150	(1,722,787)

Change in net position of governmental activities

\$ 26,925,719

Converse County, Wyoming

June 30, 2025

Statement of Net Position - Proprietary Fund

	Governmental Activity Internal Service Fund
ASSETS	
Cash and cash equivalents	\$ 2,487,288
Investments	1,821,237
Accrued interest receivable	11,239
Total assets	<u>4,319,764</u>
LIABILITIES	
Current liabilities	
Accounts payable	168,854
Noncurrent liabilities	
Incurred but not reported claims	360,000
Total liabilities	<u>528,854</u>
NET POSITION	
Unrestricted	3,790,910
Total net position	<u>\$ 3,790,910</u>

Converse County, Wyoming

Year Ended June 30, 2025

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

	Governmental Activity Internal Service Fund
Operating revenues	
Charges for premiums	\$ 4,640,844
Total operating revenues	<u>4,640,844</u>
Operating expenses	
Medical claims net of reinsurance and fees	2,918,297
Operating expenses	<u>1,370,592</u>
Total operating expenses	<u>4,288,889</u>
 Operating income	 <u>351,955</u>
 Nonoperating revenue	
Investment income	<u>117,556</u>
Total nonoperating revenue	<u>117,556</u>
 Change in net position	 469,511
 Net position, beginning of year	 <u>3,321,399</u>
Net position, end of year	<u>\$ 3,790,910</u>

Converse County, Wyoming
Year Ended June 30, 2025
Statement of Cash Flows - Proprietary Fund

	Governmental Activity Internal Service Fund
Cash flows from operating activities	
Receipts from interfund services provided	\$ 4,640,844
Payments to third party administrator for medical costs	(4,002,158)
Net cash and cash equivalents provided by operating activities	<u>638,686</u>
Cash flows from investing activities	
Purchases of investments	(74,948)
Interest on investments	110,285
Net cash and cash equivalents provided by investing activities	<u>35,337</u>
Net increase in cash and cash equivalents	<u>674,023</u>
Cash and cash equivalents, beginning of year	<u>1,813,265</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,487,288</u></u>
Reconciliation of operating income to net cash and cash equivalents provided by operating activities	
Operating income	\$ 351,955
Adjustments to reconcile operating income to cash and cash equivalents provided by operating activities	
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities	
Accounts payable	65,319
Incurred but not reported claims	221,412
Net cash and cash equivalents provided by operating activities	<u><u>\$ 638,686</u></u>

Converse County, Wyoming

June 30, 2025

Statement of Fiduciary Net Position - Fiduciary Fund

	<u>County Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 15,166,000
Property taxes receivable	<u>29,840,548</u>
Total assets	<u>45,006,548</u>
LIABILITIES	
Due to other taxing units	<u>14,001,533</u>
Total liabilities	<u>14,001,533</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable property taxes	<u>29,840,540</u>
Total deferred inflows of resources	<u>29,840,540</u>
NET POSITION	
Restricted for	
Individuals, other governments, and organization	<u>1,164,475</u>
Total net position	<u>\$ 1,164,475</u>

Converse County, Wyoming

Year Ended June 30, 2025

Statement of Changes in Fiduciary Net Position - Fiduciary Fund

	<u>County Custodial Fund</u>
ADDITIONS	
Amounts received from inmates	\$ 218,981
Child support collections	376,836
Collection of taxes, fees, and bonds for other governments and organizations	<u>203,641,003</u>
Total contributions	<u>204,236,820</u>
Interest and dividends	<u>263,393</u>
Total additions	<u>204,500,213</u>
DEDUCTIONS	
Inmate payments for goods, services, and distributions	151,079
Child support distributions	375,309
Payments of taxes, fees, and bonds to other governments and organizations	<u>203,758,573</u>
Total deductions	<u>204,284,961</u>
Net increase in fiduciary net position	215,252
Net position, beginning of the year	<u>949,223</u>
Net position, end of the year	<u><u>\$ 1,164,475</u></u>

Combining Statement of Net Position - Discretely Presented Component Units

	County Airport	County Hospital	Weed and Pest Control District
ASSETS			
Cash and cash equivalents	\$ 206,589	\$ 3,858,264	\$ 4,662,631
Cash held by fiscal agent	-	-	-
Investments	436,423	2,262,133	-
Property taxes receivable	-	-	577,879
Accounts receivable, net	64,038	36,742,491	152,536
Due from primary government	-	-	-
Lease receivable, current portion	6,428	-	-
Prepaid items and other assets	1,912	1,402,643	-
Inventory	-	3,168,373	950,388
Restricted cash and cash equivalents, noncurrent	-	-	-
Restricted investments, noncurrent	30,000	12,948,038	-
Other assets, noncurrent	48,800	230,052	-
Lease receivable, noncurrent	56,816	-	-
Beneficial interest in assets held by others	-	-	-
Capital assets not being depreciated	7,911,355	7,026,715	12,000
Capital assets being depreciated, net of accumulated depreciation	5,941,541	29,872,804	840,880
Total assets	<u>14,703,902</u>	<u>97,511,513</u>	<u>7,196,314</u>
DEFERRED OUTFLOWS OF RESOURCES			
Excess of acquisition over consideration	-	46,276,782	-
Pension plan items	12,930	-	31,159
Total deferred outflows of resources	<u>12,930</u>	<u>46,276,782</u>	<u>31,159</u>
LIABILITIES			
Accounts payable and accrued liabilities	80,013	14,413,765	1,487,228
Noncurrent liabilities			
Due within one year	-	10,745,347	-
Due in more than one year	65,395	28,645,782	223,644
Total liabilities	<u>145,408</u>	<u>53,804,894</u>	<u>1,710,872</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	-	-	1,043,734
Lease receivable	61,359	-	-
Pension plan items	17,735	-	60,134
Total deferred inflows of resources	<u>79,094</u>	<u>-</u>	<u>1,103,868</u>
NET POSITION			
Net investment in capital assets	13,786,261	31,788,460	852,880
Restricted by donors, nonexpendable	-	-	-
Restricted by donors and others, expendable	30,000	8,919,065	-
Restricted by voters	-	-	-
Unrestricted	676,069	49,275,876	3,559,853
Total net position	<u>\$ 14,492,330</u>	<u>\$ 89,983,401</u>	<u>\$ 4,412,733</u>

County Library	County Fair	Total
\$ 2,305,935	\$ 192,953	\$ 11,226,372
142,800	-	142,800
1,513,308	-	4,211,864
1,519	-	579,398
10,169	23,809	36,993,043
511,750	41,034	552,784
-	-	6,428
-	-	1,404,555
-	-	4,118,761
98,799	-	98,799
1,545,584	-	14,523,622
-	-	278,852
-	-	56,816
298,690	-	298,690
100,600	-	15,050,670
17,329,597	-	53,984,822
<u>23,858,751</u>	<u>257,796</u>	<u>143,528,276</u>
-	-	46,276,782
111,832	-	155,921
<u>111,832</u>	<u>-</u>	<u>46,432,703</u>
12,505	30,486	16,023,997
25,584	-	10,770,931
778,273	-	29,713,094
<u>816,362</u>	<u>30,486</u>	<u>56,508,022</u>
-	-	1,043,734
-	-	61,359
114,406	-	192,275
<u>114,406</u>	<u>-</u>	<u>1,297,368</u>
17,430,197	-	63,857,798
581,927	-	581,927
90,603	-	9,039,668
2,357,524	-	2,357,524
2,579,564	227,310	56,318,672
<u>\$ 23,039,815</u>	<u>\$ 227,310</u>	<u>\$ 132,155,589</u>

Converse County, Wyoming

Year Ended June 30, 2025

Combining Statement of Activities - Discretely Presented Component Units

Component Units	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
County Airport	\$ 954,138	\$ 73,122	\$ 517,818	\$ 4,690,996
County Hospital	143,216,821	144,973,737	6,109,526	-
Weed and Pest Control District	2,336,943	857,294	-	-
County Library	2,503,295	3,299	2,070,251	-
County Fair	695,032	532,653	179,943	-
	<u>\$ 149,706,229</u>	<u>\$ 146,440,105</u>	<u>\$ 8,877,538</u>	<u>\$ 4,690,996</u>

General revenues
 Property taxes
 Unrestricted investment income
 Loss on sale and disposal of capital assets
 Miscellaneous
 Total general revenues

Change in net position

Net position, beginning as previously reported
 Adoption of GASB 101
 Net position, beginning as restated

Net position, end of year

Net (Expense) Revenue and Changes in Net Position

County Airport	County Hospital	Weed and Pest Control District	County Library	County Fair	Totals
\$ 4,327,798	\$ -	\$ -	\$ -	\$ -	\$ 4,327,798
-	7,866,442	-	-	-	7,866,442
-	-	(1,479,649)	-	-	(1,479,649)
-	-	-	(429,745)	-	(429,745)
-	-	-	-	17,564	17,564
<u>4,327,798</u>	<u>7,866,442</u>	<u>(1,479,649)</u>	<u>(429,745)</u>	<u>17,564</u>	<u>10,302,410</u>
1,561	-	1,331,466	-	-	1,333,027
22,422	875,080	193,139	231,422	-	1,322,063
-	(34,642)	-	-	-	(34,642)
16,995	-	37,761	-	756	55,512
<u>40,978</u>	<u>840,438</u>	<u>1,562,366</u>	<u>231,422</u>	<u>756</u>	<u>2,675,960</u>
4,368,776	8,706,880	82,717	(198,323)	18,320	12,978,370
10,123,554	81,276,521	4,342,901	23,238,138	208,990	119,190,104
-	-	(12,885)	-	-	(12,885)
<u>10,123,554</u>	<u>81,276,521</u>	<u>4,330,016</u>	<u>23,238,138</u>	<u>208,990</u>	<u>119,177,219</u>
<u>\$ 14,492,330</u>	<u>\$ 89,983,401</u>	<u>\$ 4,412,733</u>	<u>\$ 23,039,815</u>	<u>\$ 227,310</u>	<u>\$ 132,155,589</u>

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Note 1. Nature of Operations and Significant Accounting Policies

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

Financial Reporting Entity

The County (primary government) is a municipal corporation governed by five elected commissioners. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities are, in substance, part of the County's operations, and so data from those units would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combining statements for major component units to emphasize it is legally separate from the County. Each discretely presented component unit has a June 30 year-end.

Discretely Presented Component Units

- The *Converse County Airport Board* ("County Airport" or "Airport") provides and maintains aviation facilities for the County. The Board of County Commissioners approves the Airport's budget and must approve any debt issuances. Additionally, the Airport receives funding from the County's general fund. Separate audited financial statements can be obtained from the Airport's administrative offices located in Douglas, Wyoming.
- The *Memorial Hospital of Converse County* ("County Hospital" or "Hospital") provides and maintains the Hospital facility for Converse County. The Board of County Commissioners appoints the Hospital's board of trustees. The Hospital receives funding from the County's general fund for ambulance and indigent care. The Hospital includes the financial data of its component units, the Hospital Foundation and Summit Memorial Management and Summit Medical Center. Separate audited financial statements of the Hospital can be obtained from the Hospital's administrative offices located in Douglas, Wyoming.
- The *Converse County Weed and Pest Control District* ("Weed and Pest") was established for the purpose of implementing and pursuing an effective program for the control of weeds and pests within the County. The Board of County Commissioners levies taxes on behalf of the Weed and Pest. Separate audited financial statements of the Weed and Pest can be obtained from the Weed and Pest administrative offices located in Douglas, Wyoming.
- The *Converse County Library* ("County Library" or "Library") maintains and manages the operations of the County Library and library system. The Library is fiscally dependent upon the County. The Board of County Commissioners approves the Library's budget and must approve any debt issuances. The County Library includes the financial data of its component unit, the Converse County Library Foundation. The Library does not issue separate audited financial statements.

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

Discretely Presented Component Units (Continued)

- The *Converse County Fair Board* ("County Fair" or "Fair Board") maintains and manages the operations of the County Fair. The Fair Board is fiscally dependent upon the County. The Board of County Commissioners approves the Fair Board's budget. The Fair Board does not issue separate audited financial statements.

Blended Component Unit

The Converse County Joint Justice Center Joint Powers Board ("Board") maintains and manages the operations of the newly constructed Justice Center. The Joint Justice Center Building is 74% funded by the County and 26% funded by the City of Douglas, cost of operations of the dispatch center are split between the County and the City of Douglas based on projected usages currently 50/50. Based on these activities, the Board is fiscally dependent upon the County. The Board is comprised of three County Commissioners and three City Council representatives and one at-large member. The Converse County Joint Justice Center Joint Powers Board is reported as a special revenue fund of the County.

Jointly Governed Organization

The Fire Suppression Authority of Converse County was formed by the Converse County Municipal and Joint Powers Board consisting of the County Commissioners, the City of Douglas, Wyoming, the Town of Glenrock, Wyoming, the Town of Rolling Hills, Wyoming, and the Town of Lost Springs, Wyoming. The Converse County Municipal and Joint Powers Board is a separate legal entity created in accordance with the provisions of the Wyoming Joint Powers Act and does not meet the criteria to be reported as a component unit of the County. During the fiscal year ended June 30, 2025, the County allocated \$1,825,878 to the Converse County Fire Suppression Authority.

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

The County reports the following major governmental funds:

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

County Roads Fund is a capital projects fund and is used to account for the acquisition and construction of county roads.

Capital Projects Fund is used to account for major construction projects of the County. The construction is financed from transfers from the General Fund.

Joint Justice Center Joint Powers Board Fund is used to account for the activities of the joint powers board, a blended component unit of the government. The joint powers board operates the Converse County Joint Justice Center.

The County reports the following major proprietary fund:

Internal Service Fund accounts for the County's self-funded medical insurance, which is administered by a third-party administrator.

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

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

Additionally, the County reports the following fund types:

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary fund are reimbursements from other funds for medical costs. Operating expenses for the proprietary fund include medical costs and insurance. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents

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

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

Restricted Cash and Cash Equivalents

The County considers any cash that is legally restricted as to withdrawal or usage to be presented as restricted cash and cash equivalents.

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

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

Investments and Restricted Investments

The County follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which counties may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper with maturities not more than 270 days, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage-backed securities, guaranteed investment contracts, and repurchase agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government. The County's investments are carried at fair value except for the non-negotiable certificates of deposit, which are carried at an amortized cost, consist of certificates of deposit, government sponsored enterprise securities (GSEs) notes, Wyoming Government Investment Fund (WGIF), participation in WYO-STAR I, Wyoming Cooperative Liquid Asset Securities System (Wyoming CLASS), and money market accounts.

WYO-STAR I is an authorized government investment pool established in 1987 offered exclusively to Wyoming governmental entities by the Wyoming State Treasurer's office. The value of the County's investments in WYO-STAR I equals the value of its WYO-STAR I shares. Each participant's position in WYO-STAR I is calculated by the proportion of their share as a percentage of the total share invested in the pool. Income is distributed to participants based on each entity's average daily share balance in the pool. Interest is calculated and credited monthly. WYO-STAR I investments are carried at their fair value as determined at June 30 each year. WYO-STAR I's target asset allocation, as stated in its Master Investment Policy, comprises one hundred percent (100%) of short-term bonds and cash. The Pool does not have a guaranteed rate of return, and Participants expose their investments to market losses as well as gains. There are no unfunded commitments, the redemption frequency is daily, and there is no redemption notice period or withdrawal penalty. Withdrawals are available on the effective date of the transaction, except for the amount subject to hold back. The holdback represents an amount up to 10% of the total value of the pool participant's withdrawal, as determined by the pool administrator. This amount is typically held until the end of the month, when all account reconciliations are complete.

Wyoming Government Investment Fund (WGIF) is a governmental pool established in 1996 to provide cash-management investments exclusively designed for Wyoming public entities. The WGIF Liquid Asset Series is a short-term money market portfolio that seeks to provide daily liquidity and there are no withdrawal penalties. The value of the County's investment in WGIF equals the value of its WGIF shares. WGIF Board of Trustees is responsible for the overall management of WGIF including formation of its investment and operating policies.

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

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

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

Investments and Restricted Investments (Continued)

The Wyoming CLASS Board of Trustees is responsible for assuring compliance with the Indenture and the investment restrictions. It oversees, reviews, administers, and supervises the activities of the Trust's professional advisors.

The component units' investments consist of mutual funds, certificates of deposit, and participation in WYO-STAR I and some component units have investments restricted by donors and others. The Library Foundation is a component unit of the Library and is a 501(c)3 organization that is not subject to the state statutes which restrict investments to governmental securities. The component units do not have their own investment policies. Certain debt covenants require the Hospital to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used to service outstanding debt. The Hospital's restricted investments, long-term certificates of deposit and cash are pledged as collateral on its note payable.

Receivables and Payables

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

Any advances between funds, as may be reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable financial resources.

The Hospital's patient receivables are uncollateralized customer and third-party payor obligations. Patient receivables, excluding amounts due from third-party payors, are turned over to a collection agency if the receivables remain unpaid after the Hospital's collections procedures. The Hospital does not charge interest on the unpaid patient receivables. Payments of patient receivables are allocated to the specific claims identified on the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected from patients and third-party payors. Management reviews patients' receivables by payor class and applies percentages to determine estimated amounts that will not be collected from patients due to bad debts. Management considers historical write off and recovery information in determining the estimated bad debt provision.

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

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

Other Assets, Long-Term

Other assets, long-term, include the Hospital's investment in a limited liability company. The Hospital has a 40% equity interest in Big County Rehabilitation, LLC. This investment is accounted for using the equity method. Accordingly, the carrying value is equal to the capital contribution the Hospital has made, adjusted for profits and losses, which are allocated to the members as provided in the operating agreements. The Hospital also has a 100% interest in Summit Memorial Management (SMM). SMM is considered to be a blended component unit of the Hospital.

Inventory and Prepaid Items

Inventories are stated at the lower cost (first in, first out method) or market. Inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold. Inventory is offset by a nonspendable fund balance account which indicates it is not an available spendable resource.

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

Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are recorded at historical cost or at estimated historical cost if the actual historical cost is not available in the government-wide financial statements except for right-to-use assets, the measurement of which is discussed below. Infrastructure assets include roads, bridges, culverts, and signs.

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

Notes to the Financial Statements

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

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

Capital Assets (Continued)

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

	Years
Primary Government	
Buildings and building improvements	15 - 30
Machinery, equipment and office fixtures	5 - 15
Component Units	
Improvements other than buildings	10 - 20
Buildings and building improvements	5 - 40
Machinery, equipment and office fixtures	3 - 25
Collection	3 - 5
Right-to-use assets	3 - 5

Capital assets must possess the following characteristics: 1) be tangible in nature, 2) have a life longer than one year, and 3) value in excess of \$5,000. Capital asset purchases are accounted for as expenditures in the governmental fund financial statements. Other costs for repairs and maintenance are accounted for as expenditures as incurred. Property and equipment donated for the Hospital are valued at their estimated acquisition value at the date of the gift.

Right to Use Leased Assets

Right to use leased assets are recognized at the lease commencement date and represent the County's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

Deferred Inflows and Outflows of Resources

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

Excess of Acquisition over Consideration – Deferred outflow related to excess acquisition over consideration resulted from the purchase of a neurology practice and is amortized over 15 years on a straight-line basis.

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

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

Deferred Inflows and Outflows of Resources (Continued)

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

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

Pension Plan Items

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

Property Taxes

The County assesses both mineral and non-mineral ad valorem property taxes, which are generally levied on or about August 1 each year.

- **Non-Mineral Property Taxes:** These are valued and assessed annually as of January 1 at fair market value, in accordance with Wyoming Statute §39-13-103. A tax lien becomes enforceable on January 1. County Commissioners levy the taxes around August 1. Payments are due in two equal installments: the first due September 1 (delinquent after November 10), and the second on March 1 of the following year (delinquent May 10).

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

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

Property Taxes (Continued)

- **Mineral Property Taxes:** These are assessed based on the mineral production from the preceding calendar year, with a tax lien attaching at the time of severance, in accordance with Wyoming Statute §39-14-203(c). County Commissioners levy the taxes around August 1. The Wyoming Department of Revenue (Department) centrally collects mineral ad valorem taxes based on current monthly production reports. Taxes are due to the Department by the 25th day of the third month following the month of production, as established by House Bill 159, 2021 Legislative Session. The Department distributes these collections to the counties.

Mineral property tax collections are based on the current production while the county levy is based on the preceding calendar year's production, the Department's collections occur before the county's levy is formally set. The county distributes all collected property taxes to the appropriate taxing entities when received. Once the levy is established, the county reconciles the pre-collected taxes against the levy. This reconciliation can result in either an additional amount due or a refund for overpayment.

Property tax revenues are recognized when levied to the extent they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year-end to be used to pay liabilities of the current period on the fund financial statements. Property taxes, which are not current receivables, are offset by deferred inflows of resources on the fund financial statements but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable is recognized as of the lien date; however, revenue is not recognized until the levy date.

The County recognized property taxes levied in August 2024 as revenue for the fiscal year ended June 30, 2025. Property taxes received from mineral production in calendar years 2024 and 2025 were reported as unearned revenue in both the fund and government-wide financial statements as of June 30, 2025, because they were not yet levied, assessed or reconciled, and may result in a repayment of collected taxes. Mineral property taxes for 2024 calendar production were legally assessed on January 1, 2025, but were not levied until August 2025. Mineral property taxes for production in calendar year 2025 had not been assessed as of June 2025.

The County is permitted by Wyoming Statutes to levy up to 12 mills of assessed valuation for all purposes, exclusive of the state revenue, except for the payment of public debt and interest thereon. The combined tax rate to finance general governmental services, other than the payment of principal and interest on long-term debt for the year ended June 30, 2025, was 12 mills, which means that the County has levied to the maximum amount available.

Major Taxpayers

The County's ten largest taxpayers account for approximately 80% of the County's total assessed property valuation. Nine of the ten taxpayers are involved in the mineral extraction industry, and the other one is a power producer. The County received approximately 53% of its total revenues from these taxpayers.

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

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

Compensated Absences

All regular, full-time and half-time employees who work at least twenty hours accrue monthly paid vacation. Employees accumulate vacation leave hours monthly based on number of years of service with the County. Full-time employees are entitled to 12 vacation days for 0 to 5 years of service, 15 vacation days for 6 to 10 years of service, and 20 $\frac{1}{4}$ days for more than 11 years of service, and all half-time employees are entitled to half of the days attributed to the full-time employees. As of January 1, each year, the maximum annual vacation leave accrual allowed is 20 days. If the maximum is exceeded, the excess amount of annual vacation leave time will be forfeited by the employee without compensation. The days credited to an employee for annual vacation leave time are working days. A liability for these amounts is reported for these amounts in the governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

Regular employees accrue one day per month of sick leave and half-time employees accrued one-half day per month; however, none of the accumulated sick leave will be paid upon termination of employment.

The Hospital's employees earn paid time-off days at varying rates depending on years of service. Employees may accumulate paid time-off up to a specified maximum. Employees are paid for accumulated paid time-off upon termination. The liability for compensated absences is included with accrued salaries and benefits in the accompanying financial statements.

Compensated absences are recognized as a liability when the leave is earned, and it is more likely than not that the benefit will be used or paid.

Short-Term Financing

The County did not issue any tax anticipation notes or use any other type of short-term financing for the year ended June 30, 2025.

Fund Equity/Net Position

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

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

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

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

Fund Equity/Net Position (Continued)

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

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

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Concentration of gross revenues by major payor accounted for the following percentages of the Hospital's patient service revenues for the years ended June 30, 2025 are 36% Medicare, 6% Medicaid, 23% Blue Cross, 31% other third-party payors, and 4% self-pay and other.

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

Operating Revenues and Expenses

The Hospital's statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Hospital result from exchange transaction associated with providing health care services – the Hospital's principal activity, and the costs of providing those services, including depreciation and amortization and excluding interest cost. All other revenues and expenses are reported as nonoperating.

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

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

Grants and Contributions

Revenues from grants and contributions (including contributions for capital assets) are recognized when all eligibility requirements, including time requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses.

Unearned Revenue/Refundable Advance

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

Uncompensated Care

Indigent Care - Wyoming Statute §18-08-106 requires Memorial Hospitals to provide "resident indigent patient care" and assumes that such patients have an inability to pay for the medical services provided. Quite simply the statute requires the Hospital to provide customary and usual medical services to these patients without compensation. The term "Indigent" is not further defined in the statute but is generally construed to include anyone in the county with the inability to pay for his or her medical care regardless of the reason. The statute with subsequent amendments does not provide a mechanism for compensation to the Hospital. Total cost of indigent care is calculated by multiplying the ration of cost to gross charges for the Hospital by the gross uncompensated charges associated with those that qualify for the Hospitals financial assistance program. The care provided to individuals that qualified for our financial assistance program had an estimated cost of providing these services was approximately \$2,940,000 for the year ended June 30, 2025.

Patient Related Bad Debt - the Hospital also provides care for those individuals either unwilling or unable to pay for or apply for financial assistance are considered bad debt. The Hospital includes these within its definition of uncompensated care. The foregone charges related to providing those services were approximately \$5,943,000 for the year ended June 30, 2025. The cost of providing these services was approximately \$2,892,000, for the year ended June 30, 2025.

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

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

Qualified Rate Adjustments

The Hospital participates in the Wyoming Department of Health qualified rate adjustment payment program under which the Hospitals in the state may elect to make intergovernmental transfers, as determined by the state based on bed size and payor mix. The Wyoming Department of Health uses the intergovernmental transfer to supplement state budget funds for the Medicaid program, which brings matching federal monies into the program, enabling the State of Wyoming to fund Medicaid payments to the Hospitals at a higher rate than would otherwise be possible. The Hospital paid approximately \$907,000 for the year ended June 30, 2025, which were recorded net of the related revenues. The Hospital received approximately \$1,814,000 of supplemental payments for the year ended June 30, 2025, which are recorded as part of net patient service revenue. Receivable amounts related to this program were approximately \$1,630,000 for the year ended June 30, 2025.

Accounting Estimates

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

Budget

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

The County Commissioners exercise legal spending control at the departmental level. Any over-expenditures or transfers of appropriations must be approved by them, as are all departmental budget amendments. Management control is exercised at budgetary line-item levels. The County Commissioners and the governing Boards of the component units may also amend the budget after it is approved, using the same procedures necessary to approve the original budget. The budgetary data presented in the financial statements reflects the approved budget.

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

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

Change in Reporting Entity

During the year ended June 30, 2025, further integration of the entities resulted in management of the Hospital assuming full operational control and leadership of Summit Memorial Management (SMM). The change resulted in SMM being subject to oversight and control of the Hospital. As a legally separate entity, SMM, inclusive of its wholly owned subsidiaries, Summit Memorial Medical Group (SMMG) and Summit Medical Center (Summit) has been reported as a blended component unit starting with the year ended June 30, 2025. AS of June 30, 2024, the Hospital held and investment on SMM of approximately \$12,809,000. As the entity has changed from discrete presentation to blended presentation, no investment is recorded as of June 30, 2025, and the associated account balances and activity of SMM are not contained within the financial reporting information of the Hospital. Accordingly, there is no impact on net position related to this change in reporting entity. The related notes to the financial statements include the balances and activity of SMM for both years presented.

Standards Issued and Implemented

As of July 1, 2024, the County adopted GASB Statement No. 101, *Compensated Absences*. The provisions align recognition and measurement guidance for all types of compensated absences, including vacation, sick leave, and other paid time off under a unified model, which resulted in governments recognizing a liability that more appropriately reflects when an obligation for compensated absences occurred. The implementation required the County to recognize a liability for certain leave benefits that were previously not recorded or measured differently under prior guidance. The model is intended to provide greater consistency in application and improved comparability across governments. The impact on net position was not significant to the County. As such, no restatement of balances was deemed necessary.

As of July 1, 2024, the County adopted GASB Statement No. 102, *Certain Risk Disclosures*, which requires management to evaluate whether there are risks related to a government's vulnerabilities due to certain concentrations or constraints that require disclosure. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of the Statement are effective for reporting periods beginning after June 15, 2024. There was no impact on the fund balance or net position in the County due to the implementation of this standard and primarily resulted in new and enhanced disclosures.

Notes to the Financial Statements

Note 2. Deposits

Custodial Credit Risk – Deposits

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

At June 30, 2025, the County's bank balance was \$72,878,716 and the carrying amount of deposits was reported in the financial statements as follows:

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Cash and cash equivalents	\$ 37,831,786
Restricted cash and cash equivalents	703,104
Non-negotiable certificates of deposit	17,800,511
Fiduciary Fund Statement of Net Position - County Custodial Fund	
Cash and cash equivalents	15,166,000
Total carrying amount of deposits	<u>\$ 71,501,401</u>

At June 30, 2025, the County's component units' bank balance was \$28,341,552 and the carrying amount of deposits was reported in the financial statements as follows:

	<u>Carrying Amount</u>
Government-Wide Statement of Net Position	
Cash and cash equivalents	\$ 11,369,172
Restricted cash and cash equivalents	98,799
Non-negotiable certificates of deposit	2,795,904
Restricted investments	13,288,191
Total carrying amount of deposits	<u>\$ 27,552,066</u>

The difference between the carrying amount and the bank balance is the result of transactions in transit and cash equivalents without a bank balance. All component unit's bank balances were either fully insured or collateralized as required by State statutes.

Notes to the Financial Statements

Note 3. Investments

As of June 30, 2025, the primary government of the County had the following investments:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	Rating
Non-negotiable certificates of deposit	\$ 17,800,511	.50 to 5.10%	\$ 7,050,777	\$ 10,749,734	\$ -	N/A
Negotiable certificates of deposit	3,708,065	.50 to 5.10%	1,735,980	1,972,085	-	N/A
GSE notes	51,602,752	1% - 5.65%	1,557,437	47,093,422	2,951,893	AA+
Money market	44,667	1.00%	44,667	-	-	N/A
State Treasurer's Investment pools						
WYO-STAR I	1,591,816	4.16%	1,591,816	-	-	Not rated
Wyoming CLASS	22,332,707	4.25%	22,332,707	-	-	Not rated
WGIF	18,564,647	4.26% - 4.40%	18,564,647	-	-	AAAm
Total	<u>\$ 115,645,165</u>		<u>\$ 52,878,031</u>	<u>\$ 59,815,241</u>	<u>\$ 2,951,893</u>	

As of June 30, 2025, the component units of the County had the following investments excluding the Hospital's discretely presented component units:

Investment Type	Total	Interest Rate	Less Than 1	1 - 5	6 - 10	Rating
Certificates of deposit	\$ 13,821,961	2.60% - 4.25%	\$ 2,493,958	\$ 11,328,003	\$ -	N/A
Negotiable certificates of deposit	123,884	.40%-1.85%	123,884	-	-	N/A
WYO-STAR I	2,527,454	4.160%	2,527,454	-	-	Not rated
Insured cash	54	0.800%	54	-	-	N/A
Total	<u>\$ 16,473,353</u>		<u>\$ 5,145,350</u>	<u>\$ 11,328,003</u>	<u>\$ -</u>	

These investments are reported under the caption investments and restricted investments in the statement of net position.

Credit Risk

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

Note 3. Investments (Continued)

Custodial Credit Risk – Investments

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

Concentration of Credit Risk

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

At June 30, 2025, the County had 19% of its investments in non-negotiable certificates of deposit, 16% in WGIF, 1% in WYO-STAR I, 19% in Wyoming CLASS, and 45% in government sponsored enterprises. Of the non-negotiable certificates of deposit 78% are held at one bank. The component units had 85% of their investments in certificates of deposits and non-negotiable certificates of deposits, and 15% in WYO-STAR I.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal policy for interest rate risk. As a means of limiting its exposure to fair value losses arising from interest rates, the County attempts to match its investment maturities with its expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains and losses. Additionally, majority of the County's investments are held in external investment pools with a focus on liquidity as a means of limiting its exposure to fair value losses arising from interest rates.

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

WGIF pool seeks to maintain a stable net asset value (NAV) of \$1.00 and is managed to a maximum weighted average maturity to reset (WAM(R)) of 60 days.

Notes to the Financial Statements

Note 3. Investments (Continued)

Interest Rate Risk (Continued)

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

Note 4. Fair Value of Investments

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

Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in the methodologies used at June 30, 2025:

Government sponsored enterprises (GSEs) notes: Valued using quoted prices for identical or similar assets in active markets.

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

Primary Government Investments

	Investments at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
GSE notes	\$ -	\$ 51,602,752	\$ -	\$ 51,602,752
Negotiable certificates of deposit	-	3,708,065	-	3,708,065
Total investments at fair value	<u>\$ -</u>	<u>\$ 55,310,817</u>	<u>\$ -</u>	<u>55,310,817</u>
Other investments reported in the following classifications				
Non-negotiable certificates of deposit				17,800,511
Wyoming CLASS				22,332,707
WYO-STAR I				1,591,816
WGIF				18,564,647
Money market				44,667
Total primary government investments				<u>\$ 115,645,165</u>

Notes to the Financial Statements

Note 4. Fair Value of Investments (Continued)

Component Unit Investments

	Investments at Fair Value as of June 30, 2025			
	Level 1	Level 2	Level 3	Total
Negotiable certificates of deposit	\$ -	\$ 123,884	\$ -	\$ 123,884
Total investments at fair value	\$ -	\$ 123,884	\$ -	123,884

Other investments reported in the following classifications

Certificates of deposit	13,821,961
WYO-STAR I	2,527,454
Insured cash	54
Total component unit investments	<u>\$ 16,473,353</u>

Beneficial Interest in Assets Held by Others

Converse County Library Foundation transferred investments to the Wyoming Community Foundation specifying itself as the beneficiary. The Wyoming Community Foundation ("WCF") is a Wyoming not-for-profit organization. WCF established the Converse County Library Endowment fund to account for these permanently restricted contributions. WCF is required to make distributions of interest and dividend income to the Converse County Library Foundation and other contributions that might be made in the future for the benefit of the Converse County Library Foundation annually. The Converse County Library Foundation received distributions of \$4,201 during the year ended June 30, 2025. In accordance with the professional accounting standards, the Foundation recorded its beneficial interest in the WCF fund and recorded as permanently restricted those contributions received by the WCF for the benefit of the Foundation. Converse County Library Foundation's beneficial interest in assets held at WCF was \$298,193 as of June 30, 2025.

Note 5. Interfund Balances and Transfers

Interfund and intra-entity receivables and payables at June 30, 2025 are as follows:

	Receivable	Payable
General Fund	\$ 52,180	\$ 5,525
County Roads Fund	-	13,473
Nonmajor Special Revenue Funds	4,768	37,950
	<u>\$ 56,948</u>	<u>\$ 56,948</u>

Notes to the Financial Statements

Note 5. Internal Balances and Transfers (Continued)

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occurred, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Operating transfers during the year were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 439,489	\$ 31,160,161
County Roads Fund	14,901,164	-
Capital Projects Fund	15,410,442	-
Joint Justice Center Joint Powers Board	1,361,535	-
Nonmajor Special Revenue Funds	1,201	953,670
	<u>\$ 32,113,831</u>	<u>\$ 32,113,831</u>

Transfers were made to (1) move revenues from the funds that statute or budget requires expending them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary restrictions.

Note 6. Capital Assets

Primary Government

Capital asset activity for the governmental activities for the year ended June 30, 2025, was as follows:

	<u>Beginning Balance</u>	<u>Transfers and Additions</u>	<u>Transfers and Deletions</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 1,680,893	\$ 65,000	\$ -	\$ 1,745,893
Infrastructure	49,309,779	14,371,273	-	63,681,052
Construction in progress	37,191,125	23,632,382	14,371,273	46,452,234
Total capital assets, not being depreciated	<u>88,181,797</u>	<u>38,068,655</u>	<u>14,371,273</u>	<u>111,879,179</u>
Capital assets, being depreciated				
Buildings and building improvements	42,586,099	188,702	-	42,774,801
Machinery, equipment, and office fixtures	24,539,717	1,665,060	232,756	25,972,021
Total capital assets, being depreciated	<u>67,125,816</u>	<u>1,853,762</u>	<u>232,756</u>	<u>68,746,822</u>
Less accumulated depreciation for				
Buildings and building improvements	10,351,281	1,215,694	-	11,566,975
Machinery, equipment, and office fixtures	12,630,070	1,522,752	196,101	13,956,721
Total accumulated depreciation	<u>22,981,351</u>	<u>2,738,446</u>	<u>196,101</u>	<u>25,523,696</u>
Total capital assets, being depreciated, net	<u>44,144,465</u>	<u>(884,684)</u>	<u>36,655</u>	<u>43,223,126</u>
Governmental activities, capital assets, net	<u>\$ 132,326,262</u>	<u>\$ 37,183,971</u>	<u>\$ 14,407,928</u>	<u>\$ 155,102,305</u>

Notes to the Financial Statements

Note 6 Capital Assets (Continued)

The County has \$1,247,343 in assets acquired under lease purchase obligations with accumulated depreciation of \$254,987. The depreciation expense on these assets for the fiscal year ended June 30, 2025 was \$98,705.

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

Governmental activities	
General government	\$ 303,204
Public safety	35,896
Public works	1,227,669
Health, welfare, and recreation	1,171,677
Total depreciation expense - governmental activities	<u>\$ 2,738,446</u>

Component Units

Capital asset activity for the Converse County Airport for the year ended June 30, 2025, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 2,741,061	\$ -	\$ -	\$ 2,741,061
Construction in progress	319,359	5,133,882	282,947	5,170,294
Total capital assets, not being depreciated	<u>3,060,420</u>	<u>5,133,882</u>	<u>282,947</u>	<u>7,911,355</u>
Capital assets, being depreciated				
Improvements other than buildings including hangars, runways and taxiways	19,811,209	-	-	19,811,209
Buildings	612,841	-	-	612,841
Machinery, equipment and office fixtures	282,438	282,947	-	565,385
Total capital assets, being depreciated	<u>20,706,488</u>	<u>282,947</u>	<u>-</u>	<u>20,989,435</u>
Less accumulated depreciation	<u>14,418,052</u>	<u>629,842</u>	<u>-</u>	<u>15,047,894</u>
Total capital assets, being depreciated, net	<u>6,288,436</u>	<u>(346,895)</u>	<u>-</u>	<u>5,941,541</u>
Capital assets, net	<u>\$ 9,348,856</u>	<u>\$ 4,786,987</u>	<u>\$ 282,947</u>	<u>\$ 13,852,896</u>

The construction in progress for the Airport represents costs related to runway upgrades, hanger construction, and fuel farm upgrades. Signed contracts at June 30, 2025 for these projects approximately \$5,539,000. Funding for these projects is anticipated to include state and federal grants as well as airport generated revenue and taxes.

Notes to the Financial Statements

Note 6 Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Converse County Weed and Pest Control District for the year ended June 30, 2025, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Construction in progress	19,438	-	19,438	-
Total capital assets, not being depreciated	31,438	-	19,438	12,000
Capital assets, being depreciated				
Buildings and improvements	846,537	43,195	-	889,732
Machinery, equipment and office fixtures	400,936	141,382	-	542,318
Total capital assets, being depreciated, net	1,247,473	184,577	-	1,432,050
Less accumulated depreciation	536,224	54,946	-	591,170
Total capital assets, being depreciated, net	711,249	129,631	-	840,880
Capital assets, net	<u>\$ 742,687</u>	<u>\$ 129,631</u>	<u>\$ 19,438</u>	<u>\$ 852,880</u>

Capital asset activity for the Library for the year ended June 30, 2025, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 100,600	\$ -	\$ -	\$ 100,600
Total capital assets, not being depreciated	100,600	-	-	100,600
Capital assets, being depreciated				
Buildings and building improvements	20,610,402	-	-	20,610,402
Machinery, equipment and office fixtures	570,471	-	3,603	566,868
Collection	861,740	75,344	38,610	898,474
Total capital assets, being depreciated	22,042,613	75,344	42,213	22,075,744
Less accumulated depreciation	4,234,373	550,384	38,610	4,746,147
Total capital assets, being depreciated, net	17,808,240	(475,040)	3,603	17,329,597
Capital assets, net	<u>\$ 17,908,840</u>	<u>\$ (475,040)</u>	<u>\$ 3,603</u>	<u>\$ 17,430,197</u>

Notes to the Financial Statements

Note 6. Capital Assets (Continued)

Component Units (Continued)

Capital asset activity for the Hospital, excluding the Hospital's discretely presented component units, for the year ended June 30, 2025, was as follows:

	Beginning Balance	Transfers and Additions	Transfers and Deletions	Ending Balance
Capital assets, not being depreciated				
Land	\$ 3,203,956	\$ -	\$ -	\$ 3,203,956
Construction in progress	2,157,524	2,754,623	1,089,388	3,822,759
Total capital assets, not being depreciated	<u>5,361,480</u>	<u>2,754,623</u>	<u>1,089,388</u>	<u>7,026,715</u>
Capital assets, being depreciated				
Improvements other than buildings	155,984	-	-	155,984
Building	47,598,249	562,662	435,059	47,725,852
Equipment and vehicles	53,346,554	585,715	1,437,564	52,494,705
Right-to-use leased assets being amortized				
Equipment	3,992,451	4,303,355	566,926	7,728,880
Total capital assets, being depreciated, net	<u>105,093,238</u>	<u>5,451,732</u>	<u>2,439,549</u>	<u>108,105,421</u>
Less accumulated depreciation	<u>77,962,872</u>	<u>4,799,236</u>	<u>784,245</u>	<u>81,977,863</u>
Total capital assets, being depreciated, net	<u>27,130,366</u>	<u>652,496</u>	<u>1,655,304</u>	<u>26,127,558</u>
Capital assets, net	<u><u>\$ 32,491,846</u></u>	<u><u>\$ 3,407,119</u></u>	<u><u>\$ 2,744,692</u></u>	<u><u>\$ 33,154,273</u></u>

Construction in progress on June 30, 2025 represents the electronic medical record system upgrade, for which are no contractually committed amounts, however significant additional expenditures are anticipated.

Note 7. Leases

Lessor

The Airport is the lessor for several hangar leases. For leases with a maximum possible term of 12 months or less at commencement, the Airport recognizes income based on the provision of the lease contract. For all leases (i.e. those that are not short-term), the related lease receivables and deferred inflows of resources are recognized at the present value of future lease payments expected to be received during the lease term using the Airport's incremental borrowing rate. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. The Airport monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows or resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 7. Leases (Continued)

Lessor (Continued)

The Airport entered into a lease agreement with a third-party effective January 1, 2001. As part of consideration for this lease agreement the lessee agreed to construct a hangar building at its sole expense on airport property. The hangar and improvements will become attached to the real property at the end of the term of the lease and shall at that time automatically vest and become property of the Airport.

The term of the lease is for a period of forty years from January 1, 2001. Upon termination of this lease, the lessee has right of first refusal to enter into a rental agreement with the Board for the hangar for an additional term and rental amount that is comparable to other hangar leases existing at the Airport. The lease has a monthly payment owed of \$100 plus a \$48 Consumer Price Index (CPI) adjustment for a total monthly payment of \$148 for the period of January 1, 2021, through December 31, 2025. At the end of this five-year period, the CPI amount will be adjusted for current rates for the next five-year increment.

As of June 30, 2025, the value of the lease receivable is \$16,005 and the related deferred inflows is \$15,415. During the year ended June 30, 2025, the Airport recognized lease revenue of approximately \$990, interest revenue of approximately \$330 and other revenue, related to the CPI adjustment of approximately \$580 under this lease.

In addition, during the entire term of the lease the lessee agrees to pay the Airport and additional rent of \$400 a month, which shall be used by the Board for the lessee-cost share percentage of Federal Aviation Administration (FAA) grants for resurfacing runways, taxiways, ramps or other capital improvement projects at the airport. The additional rent amount will not be paid until the FAA has awarded grant or grants to the Airport and the Airport cost share for such grants are due to the FAA. The amount due to the Airport in relation to this agreement totaled \$48,000 at June 30, 2025.

The Airport entered into a lease agreement with a related party effective December 9, 2024. The Airport's manager is the owner of the company which leases shop and office space from the Airport. The term of the lease is for a period of five years from December 9, 2024, with an additional five-year renewal option. The lease has a monthly payment owed of \$469. As of June 30, 2025, the value of the lease receivable is \$24,096 and the related deferred inflows is \$23,472. During the year ended June 30, 2025, the Airport recognized lease revenue of approximately \$5,290 and interest revenue of approximately \$390 under this lease.

The Airport entered into a lease agreement with a third-party effective October 1, 2023. The third party will lease a hangar on the Airport property. The term of the lease is for a period of forty years from October 1, 2023. Upon termination of this lease, the lessee has right of first refusal to enter into a rental agreement with the Board for the hangar for an additional term and rental amount that is comparable to other hangar leases existing at the Airport. The lease has a monthly payment of \$110. As of June 30, 2025, the value of the lease receivable is \$23,143 and the related deferred inflows are \$22,472. During the year ended June 30, 2025, the Airport recognized lease revenue of approximately \$590 and interest revenue of approximately \$1,100 under this lease.

Notes to the Financial Statements

Note 7. Leases (Continued)

Lessor (Continued)

As of June 30, 2025, principal and interest expected to maturity were as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 6,428	\$ 1,723
2027	6,534	1,617
2028	6,638	1,513
2029	6,752	1,399
2030	3,566	1,300
2031-2035	6,632	5,968
2036-2040	7,579	5,021
2041-2045	3,044	4,156
2046-2050	3,110	3,490
2051-2055	3,955	2,645
2056-2060	5,027	1,573
2061-2063	3,979	311
Total minimum lease payments	\$ 63,244	\$ 30,716

Note 8. Long-Term Debt

County

The Wyoming Constitution (Article 16 §3) limits the amount of indebtedness for any County to not more than two percent of the last general assessment. This limit was \$71,206,309 at June 30, 2025. The County had no outstanding debt subject to this limitation.

Primary Government

The following is a summary of changes in long-term debt of the County for the year ended June 30, 2025:

	Balance June 30, 2024	New Debt Incurred	Debt Retired	Balance June 30, 2025	Due Within One Year
Primary Government					
Governmental activities					
Ad valorem note payable	\$ 377,200	\$ -	\$ 32,800	\$ 344,400	\$ 32,800
Lease purchase obligation	966,380	-	114,783	851,597	121,657
Incurred but not reported					
claims payable	138,588	221,412	-	360,000	-
Compensated absences	468,172	426,105	-	894,277	845,374
Net pension liability	9,215,689	-	98,958	9,116,731	-
	\$ 11,166,029	\$ 647,517	\$ 246,541	\$ 11,567,005	\$ 999,831

Notes to the Financial Statements

Note 8. Long-Term Debt (Continued)

Purchase lease obligations, ad valorem note payable, and compensated absences which are liabilities of the primary government are generally liquidated by the general fund. The incurred but not reported claims are paid by the internal service fund.

Ad Valorem Note Payable

In April 2022, the County entered into a \$960,000 loan agreement at a 0% interest rate with the State of Wyoming for relief from a potential funding shortfall resulting from Wyoming SF60 legislative change. The loan is due in yearly installments of 8% of the loaned amount and a final payment of 4%. The loan matures on December 15, 2035. The County passed the loan proceeds to the Weed and Pest, Glenrock Cemetery, and Conservation Districts. The repayment of the notes receivable to the County will be handled through the reduction of the tax distribution to these entities in the amount of the proportionate loan repayment each year. The County's custodial fund is managing the reduction of the tax distributions and repayment of the State loan. Both Weed and Pest and Glenrock Conservation District elected to reduce their tax distributions by the full amount of their outstanding notes receivable to the County and have paid their notes in full. Glenrock Cemetery District's paid \$32,800 on their note receivable to the County through the reduction of their tax distribution. At June 30, 2025, the outstanding balance of the note payable to the State was \$344,400 with the same amount due on the note receivable from Glenrock Cemetery District. The annual payments of \$32,800 are due in each fiscal year from 2023 to 2035 and a \$16,400 payment in the 2036 fiscal year.

Lease Purchase Obligation

In March of 2023, the County has entered into a lease purchase obligation for three motor graders. The lease agreement requires annual payments of \$172,668 with interest at 5.99% and matures on April 1, 2029, with a final payment of \$321,120. The motor graders are collateral for the lease. Lease payment requirements to maturity for the years ending June 30, are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 121,657	\$ 51,011
2027	128,945	43,723
2028	136,669	36,000
2029	144,854	27,813
2030	319,472	1,648
	\$ 851,597	\$ 160,195

Notes to the Financial Statements

Note 8. Long-Term Debt (Continued)

Component Units

The following is a summary of changes in long-term debt of the component units, excluding the Hospital's discretely presented component units, for the year ended June 30, 2025:

	Balance June 30, 2024	New Debt Incurred	Debt Retired	Balance June 30, 2025	Due Within One Year
Component Units					
Notes payable	\$ 35,411,388	\$ -	\$ 4,662,978	\$ 30,748,410	\$ 4,620,498
Lease purchase obligation	3,300,567	4,303,355	2,492,863	5,111,059	2,593,190
Compensated absences	3,243,653	365,143	444	3,608,352	3,557,243
Net pension liability	1,162,488	-	146,284	1,016,204	-
	<u>\$ 43,118,096</u>	<u>\$ 4,668,498</u>	<u>\$ 7,302,569</u>	<u>\$ 40,484,025</u>	<u>\$ 10,770,931</u>

Notes payable and leases include long-term debt related to the Hospital's discretely presented component unit and the detail is not included in the County's financial statements. The Hospital's and Weed and Pest's long-term debt is detailed below.

The Hospital borrowed \$8,500,000 in 2015 in order to complete construction of the new medical office building. The note payable was extended in 2023, increasing the loan amount by approximately \$10,000,000 at an interest rate of 3.25%. The note matures in December 2029. The Hospital has pledged certificates of deposit as collateral for the full amount of the outstanding notes payable. The note includes a provision allowing the Hospital to make additional draws. No additional draws were made during 2025.

The Hospital (SMC) borrowed \$25,000,000 in 2022 maturing in May 2032 to fund operations at an interest rate of 4.00%, unsecured.

The Hospital (SMC) also borrowed \$1,440,000 in 2023 maturing in December 2047 with an interest rate of 6.9% secured by land.

The Hospital has a line of credit with a balance of \$1,644,729 with an interest rate of 5.75%, with a maximum draw of \$1,800,000.

Note payment requirements to maturity for the years ending June 30 are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 4,620,498	\$ 1,141,763
2027	4,523,729	975,063
2028	4,694,584	804,208
2029	4,876,319	622,474
2030	4,199,543	439,331
2031-2035	6,815,216	666,852
2036-2040	306,608	235,144
2041-2045	432,807	178,053
2046-2050	279,106	26,323
	<u>\$ 30,748,410</u>	<u>\$ 5,089,211</u>

Notes to the Financial Statements

Note 8. Long-Term Debt (Continued)

Component Units (Continued)

The Hospital entered into lease agreements for certain equipment. The Hospital is required to make principal and interest payments through June 2027. The lease agreements have interest rates between 3.00% and 3.50%. Schedule principal and interest repayments on leases are as follows:

Year Ending June 30,	Principal	Interest
2026	\$ 2,593,190	\$ 181,844
2027	2,517,869	72,900
Total minimum lease payments	<u>\$ 5,111,059</u>	<u>\$ 254,744</u>

Note 9. Defined Benefit and Contribution Pension Plans

Pension Plan Fiduciary Net Position

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

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

Public Employees' Pension Plan

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

PEPP members are statutorily required to contribute 9.25% of their annual covered salary and the employer is required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County currently pays 100% of the required contribution. Although paid by the County, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The County's contributions to the PEPP plan for the year ended June 30, 2025, were \$1,224,022, equal to the required contributions for the year.

For the year ended June 30, 2025, the County's, statutorily required contributions to the PEPP pension plan were \$615,955.

The County's component units, Weed and Pest, the Airport, and the Library currently pay all of the required employees' contribution. The Weed and Pest's contributions to PEPP for the year ended June 30, 2025, were \$38,820. The Library's contributions to PEPP for the year ended June 30, 2025, were \$149,902. The Airport's contributions to PEPP for the year ended June 30, 2025 were \$13,000.

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

Public Employees' Pension Plan (Continued)

For the year ended June 30, 2025, the component units statutorily required contributions to the PEPP pension plan were \$101,571.

As of July 1, 2025, the statutory required contribution rate will not increase for the employer or the employee for the PEPP plan.

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

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

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

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

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

Law Enforcement Pension Plan

The County participates in the Wyoming Law Enforcement Pension Plan ("LEPP"), a cost sharing, multiple-employer defined benefit, contributory retirement plan covering any county sheriff, deputy county sheriff, municipal police officer, Wyoming correctional officer, Wyoming law enforcement academy instructor, University of Wyoming campus police office, detention officer or dispatcher for law enforcement agencies and certain investigators of the Wyoming Livestock Board, Wyoming Gaming Commission and Wyoming Board of Outfitters. On July 1, 2023, full-time state park rangers were added as members of the Law Enforcement Pension Plan.

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

Pension Plan (Continued)

LEPP members are statutorily required to contribute 9.50% of their annual covered salary and the employer is statutorily required to contribute 9.50% of the annual covered payroll for a total of 19.00%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The County has elected to contribute 100% of the contributions on behalf of eligible employees. Although paid by the County, for purposes of recording the net pension liability these additional contributions are considered to be employee contributions. The County's contributions to the LEPP plan for the year ended June 30, 2025, were \$787,348 equal to the required contributions for the year.

For the year ended June 30, 2025, the County's statutorily required contributions to the LEPP pension plan were \$393,674. As of July 1, 2025, there will be .90% increase in employee and employer statutorily required contribution rates. The statutorily required contribution rates will increase from 9.5% to 10.4%.

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

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

As of June 30, 2025, the County reported a total liability of \$9,116,731 for its proportionate share of the net pension liability. The County's component units: Library, Weed and Pest, and Airport reported: \$775,264, \$175,545, and \$65,395, respectively, for their proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2024, applied to all prior periods included in the measurement. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covered the five-year period ending December 31, 2020. The net pension liability as of December 31, 2024, is based on the results of an actuarial valuation as of January 1, 2024, rolled forward to a measurement date of December 31, 2024.

Notes to the Financial Statements

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

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

The schedule below shows the County's proportionate share of the net pension liability at June 30, 2025, the proportionate portion at the measurement date of December 31, 2024, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2025	Proportion at December 31, 2024	Increase (decrease) from December 31, 2023
County			
Public Employees' Pension Plan	\$ 6,304,913	0.30231080%	0.019915200%
County - Sheriff			
Law Enforcement Pension Plan	\$ 2,811,818	2.09344810%	0.017113100%
Public Employees' Pension Plan			
Library	\$ 775,264	0.03717270%	-0.000927200%
Weed and Pest	\$ 175,545	0.00841710%	-0.001416900%
Airport	\$ 65,395	0.00313560%	-0.000132900%

For the year ended June 30, 2025, the County and its component units Library, Weed and Pest, and Airport recognized pension expense of \$786,064, \$63,867, \$24,299, and \$2,300, respectively.

Notes to the Financial Statements

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

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

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows (Inflows) of Resources				Total Outflows	Total (Inflows)
	PEPP		LEPP			
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (798,262)	\$ -	\$ (551,147)	\$ -	\$ (1,349,409)
Changes in assumptions	-	-	219,657	(2,056,549)	219,657	(2,056,549)
Difference between actual and expected experience rate	408,818	(7,590)	531,764	(70,385)	940,582	(77,975)
Change in employer's proportion	606,751	-	43,461	(12,003)	650,212	(12,003)
Amortizing deferred outflows and deferred inflows	1,015,569	(805,852)	794,882	(2,690,084)	1,810,451	(3,495,935)
Contributions subsequent to the measurement date	308,389	-	199,287	-	507,676	-
Total	\$ 1,323,958	\$ (805,852)	\$ 994,169	\$ (2,690,084)	\$ 2,318,127	\$ (3,495,935)

The County reported \$507,676 as deferred outflows of resources related to contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

Year ended June 30,

	PEPP	LEPP
2026	\$ 193,700	\$ (1,069,579)
2027	608,868	(425,342)
2028	(391,117)	(263,761)
2029	(201,734)	(136,520)
	\$ 209,717	\$ (1,895,202)

Notes to the Financial Statements

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

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

The County's component units, Library, Weed and Pest, and Airport reported \$40,072, \$19,688, and \$3,283 respectively, as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Library

	Deferred Outflows	Deferred (Inflows)
Net difference between project and actual earnings on pension plan investments	\$ -	\$ (98,156)
Difference between actual and expected experience rate	50,269	(933)
Change in employer's proportion	21,491	(15,317)
Amortizing deferred outflows and deferred inflows	71,760	(114,406)
Contributions subsequent to the measurement date	40,072	-
Total	<u>\$ 111,832</u>	<u>\$ (114,406)</u>

Weed and Pest

	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (11,758)
Difference between actual and expected experience rate	11,471	-
Change in employer's proportion	-	(48,376)
Amortizing deferred outflows and deferred inflows	11,471	(60,134)
Contributions subsequent to the measurement date	19,688	-
Total	<u>\$ 31,159</u>	<u>\$ (60,134)</u>

Airport

	Deferred Outflows	Deferred (Inflows)
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (7,765)
Difference between actual and expected experience rate	4,276	(87)
Change in employer's proportion	5,371	(9,883)
Amortizing deferred outflows and deferred inflows	9,647	(17,735)
Contributions subsequent to the measurement date	3,283	-
Total	<u>\$ 12,930</u>	<u>\$ (17,735)</u>

Notes to the Financial Statements

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the County's component units will be recognized in pension expenses as follows:

Year ended June 30,	Library	Weed and Pest	Airport
2026	\$ (7,205)	\$ (14,080)	\$ (3,557)
2027	49,912	8,578	3,012
2028	(60,547)	(31,092)	(5,452)
2029	(24,806)	(12,069)	(2,091)
	<u>\$ (42,646)</u>	<u>\$ (48,663)</u>	<u>\$ (8,088)</u>

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Notes to the Financial Statements

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2024 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation Date	January 1, 2024
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	
PEPP	23 years
LEPP	20 years
Asset valuation method	5 year smoothed market
Inflation	2.25%
Salary increases	
PEPP	2.5% to 6.5%, including inflation
LEPP	5.25% to 9.25%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment rate of return	6.80%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2022 valuation pursuant to an experience study of the period 2016-2020.
Post-Retirement Mortality (PEPP)	Pub-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a 100% multiplier Females: No set back with a 103% multiplier
Post-Retirement Mortality (LEPP)	Pub-2010 Safety Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a 100% multiplier Females: No set back with a 100% multiplier
Pre-Retirement Mortality (PEPP)	Pub-2010 General Employee Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a 100% multiplier Females: No set back with a 100% multiplier
Pre-Retirement Mortality (LEPP)	Pub-2010 Safety Employee Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale Males: No set back with a 100% multiplier Females: No set back with a 100% multiplier

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

Actuarial Assumptions (Continued)

The plan's trustees adopted the assumed rate of investment return after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2024. In addition, a five-year experience study was completed as of December 31, 2020, and this study provides a detailed analysis regarding recommendations on the long-term rates for inflation and the real rate of return. The assumed rate of investment return of 6.80% (real return net of inflation of 4.55%) falls within a reasonable range of the long-term expected rate of return.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Each major asset class is included in the pension plans target asset allocation for the fiscal year 2024. These best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.50%	0.41%	0.40%
Gold	1.50%	2.33%	0.90%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private real assets	10.50%	6.23%	7.74%
Total	100.00%	5.53%	6.75%

Discount Rate

The discount rate used to measure the Public Employees Plan and the Law Enforcement Plan total pension liability was 6.80%. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For purposes of this valuation, the expected rate of return on pension plan investments is 6.80%, the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer "20-Year GO Bond Index"); and the resulting single discount rates listed above.

Note 9. Defined Benefit and Contribution Pension Plans (Continued)

Actuarial Assumptions (Continued)

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

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

Pension Plan	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	(5.80)%	(6.80)%	(7.80)%
Public Employees' Pension Plan	\$ 10,502,665	\$ 6,304,913	\$ 2,828,658
Law Enforcement Pension Plan	5,898,361	2,811,818	288,276
Component Units			
Library	1,340,121	775,264	432,660
Weed and Pest	292,421	175,545	78,757
Airport	108,935	65,395	29,339

Payables to the Pension Plan

At June 30, 2025, the County and its component units did not have any payables to the pension plans.

Retirement Plan – The Hospital

In 2009, the Hospital established a defined contribution profit sharing plan covering substantially all employees who have over 1,000 hours of service within the first anniversary year of employment or subsequent plan year. The Hospital Retirement Plan (Plan) is administered by a Board of Trustees who has executed a trust agreement with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provisions of the Plan.

The Plan allows for eligible employees to contribute a percentage of pre-tax annual compensation as defined in the Plan. The Hospital makes a discretionary matching percentage on the participant's eligible contributions for the Plan year. The Hospital may also make an optional profit-sharing contribution subject to certain limitations imposed by the Internal Revenue Service.

Participants are immediately vested in their voluntary contribution plus actual earnings thereon. Vesting in the remainder of their accounts is based on years of continuous service. A participant is 100% vested after six years of service. All years of service beginning January 1, 2009, shall count toward years of vesting. In addition, each participant shall receive one year of service for each two years of service completed before January 1, 2009, up to a maximum of 6 years of service credited toward vesting. Also, a participant shall be 100% vested upon death, disability, or upon a reduction in force as determined by the Hospital. The discretionary contributions to the Plan was approximately \$1,875,000 for the year ended June 30, 2025.

Notes to the Financial Statements

Note 10. Deferred Compensation Plans

The Hospital also provides a deferred compensation plan (457 Plan) to substantially all employees of the Hospital. The Hospital does not make contributions to the 457 Plan.

Weed and Pest also offers its employees a deferred compensation plan under the provisions of Internal Revenue Code Section 457. Employees are eligible to participate upon start of employment. Participants can make pre-tax or after-tax contributions up to limits set by the IRS at their discretion and are always 100% vested in their account. Weed and Pest Control District can match employee contributions at their discretion. No employer matching contributions were made in 2025.

Note 11. Fund Balance

The County's general fund assigned fund balance consists of the following amounts:

Building/maintenance reserve	\$ 47,696,124
Equipment reserve	11,218,307
Salary reserve	4,404,918
Loans reserve	83,812
Operating reserve	3,900,000
Depreciation reserve	1,225,000
Ad valorem stabilization	25,465,923
	<u>\$ 93,994,084</u>

The County's Women, Infant and Children grant fund had a deficit fund balance at June 30, 2025, of \$1,532. The County will make transfers in the future to resolve the deficit.

Note 12. Commitments and Contingencies

In the normal course of business, various lawsuits or claims are brought against the County. It is not possible to determine the ultimate disposition of these matters at this time; however, the County Attorney and the County Commissioners are of the opinion that these matters would not have a material adverse effect on the results of operations, financial condition, or cash flows of the County. The County's lawsuits and/or claims are covered by insurance and Wyoming Government Claims Act limits the liability to \$250,000.

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of task under its various programs. In the opinion of management, the ultimate settlement of litigation, claims and disputes in process will not be material to the financial position, operations, or cash flows of the Hospital.

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

Note 12. Commitments and Contingencies (Continued)

The County has a contract with Sampson Construction Co., Inc. in the amount of \$24,634,872 including change orders for the design of the Joint Justice Center Phase II. As of June 30, 2025, there was approximately \$108,000 outstanding on that contract.

In June 2023, the County approved a \$12,454,585 bid from Knife River for the Jenne Trail Phase 2. As of June 30, 2025, there was approximately \$375,846 outstanding on that contract.

In April 2024, the County approved a \$1,644,152 bid from HDR Engineering, Inc. for the Jenne Trail Phase 3. As of June 30, 2025, there was approximately \$375,846 outstanding on that contract.

In March 2025, the County approved a \$6,934,999 bid from Earth Work Solutions for the Chalkbuttes Road Reconstruction. As of June 30, 2025, there was approximately \$5,582,605 outstanding on that contract.

The Airport received approximately 82% of its support (excluding intergovernmental, federal and state grant revenue) during 2025 from Converse County, Wyoming. A significant reduction in the level of this support, if this were to occur, may have a negative effect on the Airport's operations.

Note 13. Risk Management Programs

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result of these and other risks, the County participates in the Local Government Liability Pool (LGLP) which is a public entity risk pool. LGLP provides liability coverage for claims subject to the Wyoming Governmental Claims Act (W.S. 1-39-101) up to \$250,000 per claimant but not more than \$500,000 per occurrence and \$1,500,000 per occurrence for federal and out-of-state claims. The coverage limit is \$1,000,000 per occurrence for all members combined of the LGLP risk pool including various additional sub-limits. Claims have not exceeded coverage amounts in any of the last three years. Premiums paid to LGLP by the County totaled \$1,200.

The County's component units, the Converse County Weed and Pest Control District, the County Airport Board, and the Fair Board also participate in LGLP. In addition, the County purchases commercial insurance to cover its property and automobile physical damage, as well as for the Joint Justice Center. Premiums paid for these coverages by the County totaled \$192,774.

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

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act which is administered as an enterprise fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan with only a few exceptions. This Act provides for the payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This Act provides general protection from suits filed by employees against the County. The County makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and is a split rate between hazardous and non-hazardous positions. The amount paid by the County to the State for Workers' Compensation during fiscal year 2025 was \$129,878.

Notes to the Financial Statements

Note 13. Risk Management Programs (Continued)

Wyoming Statute §27-3-101 created the Wyoming Unemployment Compensation Act. This Act requires the County to pay the cost of actual claims incurred. Changes in the balances of claims liabilities during fiscal years 2025 and 2024 were as follows for the County's participation in the Unemployment Compensation Act Program.

	<u>2025</u>	<u>2024</u>
Unpaid claims, beginning of year	\$ 2,396	\$ -
Claims incurred	-	2,396
Claims paid	(2,396)	-
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ 2,396</u>

The County also provides its employees' health care benefits through a self-insured program for primary government and component unit employees excluding the Hospital and the Fair Board. Under this program, the County is insured under a stop-loss policy for individual claims exceeding \$55,000 per year. The maximum specific reimbursement per person is unlimited per policy period.

Premiums paid for stop-loss insurance were approximately \$660,000. Estimated medical claims are calculated by the plan administrator based on past historical experience and current economic events. Claims are usually paid within one year of submission.

Changes in the County's health care risk management liability during the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Incurring but not reported claims payable, beginning of year	\$ 138,588	\$ 152,000
Claims incurred	2,567,261	2,330,299
Claims paid	(2,345,849)	(2,343,711)
Incurring but not reported claims payable, end of year	<u>\$ 360,000</u>	<u>\$ 138,588</u>

Insurance settlements during the last three fiscal years have not exceeded the County's insurance coverage.

There has been no significant change in insurance coverage or the County's risk management programs during the year ended June 30, 2025.

The Hospital is self-funded for health benefits for eligible employees and their dependents. The Hospital, in connection with this plan, recognizes health benefit expenses on accrual basis. An accrued liability is recorded at year-end which estimates the incurred by not reported claims that will be paid by the Hospital. The Hospital has stop loss insurance to cover catastrophic claims in excess of \$150,000 per claim and an annual aggregate limit of \$1,000,000 for the plan year ended June 30, 2025.

The Hospital expenses amounts representing the employer's portion of actual claims paid, adjusted for the estimates of liabilities related to claims resulted from services provided prior to the fiscal year end not to exceed the annual aggregate expense. The estimated liability of \$365,878 is included in accrued salaries, and benefits in the financial statements. This amount has been estimated based on historical trends.

Note 14. Transactions with Related Parties and Component Units

In fiscal year 2016, the County entered into a lease agreement with Commissioner Richard Grant, for royalties from the Dry Creek Gravel Pit on the Grant Ranch. Compensation for the gravel is \$1.25 per yard that leaves the site and up to 100 yards of aggregate per year for ranch use. There were no payments on this contract during the fiscal year 2025.

During the fiscal year ended June 30, 2025 the County provided \$1,361,535 in support of the Joint Justice Center Joint Powers Board. The County received \$765,542 from the City of Douglas as its share of the operations and communications cost of the Joint Justice Center.

During the fiscal year ended June 30, 2025, the County provided \$517,818, \$2,047,000, \$4,600,000, and \$179,900 in support to the Airport, the Library, the Hospital, and the Fair, respectively.

The Airport's manager is the owner of a company which leases hangar and office space from the Airport. Total rent received for the year ended June 30, 2025 amounted to approximately \$5,680.

The County invests in WGIF where the County Treasurer is a board member. The Treasurer does not receive compensation for being a WGIF board member.

The Hospital is a 40% owner in Big Country Rehabilitation, LLC. Big Country Rehabilitation LLC leases space from the Hospital for approximately \$42,874 per year. The lease began March 1, 2011, and is renewed automatically for one-year increments until it is cancelled.

During the year ended June 30, 2025, the Hospital paid Big Country Rehabilitation, LLC approximately \$962,000 for professional services rendered. The Hospital received \$244,000 of income related to its investment in Big Country during the year ended June 30, 2025.

During fiscal year 2025. Commissioner Donald Blackburn took office as county commissioner, who is the owner of Balckburn Cattle Co. The County has been using Blackburn Cattle Co for years. Total payments for the year ended June 30, 2025, amounted to \$394,659.

Note 15. Issued Standards Not Yet Implemented

GASB Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. Key provisions of this Statement include (1) recognition and measurement of revenues and expenditures; (2) presentation enhancements; and (3) note disclosures. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, requires governments to separately disclose certain types of capital assets, including lease assets, intangible right-to-use assets, and subscription assets, to enhance transparency in financial statements. It also provides guidelines for capital assets held for sale, requiring disclosure of their cost and accumulated depreciation. These requirements are effective for fiscal years beginning after June 15, 2025, with early adoption encouraged.

Notes to the Financial Statements

Note 15. Issued Standards Not Yet Implemented (Continued)

GASB Statement No. 105, *Subsequent Events*, requires governments to enhance the consistency and usefulness of financial reporting for events that occur after the date of the financial statements but before the statements are available to be issued. Subsequent events, as defined by Statement No. 105, are transactions or other events occurring during this period, with the date the financial statements are available to be issued defined as the date the statements are complete in accordance with generally accepted accounting principles and all necessary approvals for issuance have been obtained. The Statement clarifies which subsequent events should be recognized in the financial statements and which should be disclosed in the notes, and it requires disclosure of the date through which subsequent events have been evaluated. The requirements of the Statement are effective for fiscal years beginning after June 15, 2026.

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

Note 16. Subsequent Events

Subsequent to June 30, 2025, the County awarded the following contracts/agreements:

- In February 2026, the Commissioners approved an Aid to Others agreement with the Wyoming State Fair Foundation that included this \$750,000 for the Show Center along with \$20,000 for the Foundation operations.
- In November 2025, the Commissioners enter into a land purchase agreement with B.K. Killion LLC to purchase land adjacent to Natural Bridge Park for \$1,695,000 from County energy royalty funds.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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

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

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

Effective July 1, 2019, it is the County’s policy to maintain its paved roads with at least 33% rated as standard and to maintain its gravel roads with at least 33% rated as standard. The County added an additional category for dirt/unimproved roads which are not assessed or maintained. The number of miles of paved and gravel rated standard and substandard are as follows:

County Roads

2025 Condition Rating	Paved		Gravel	
	Miles	Percent	Miles	Percent
Standard	95	78%	448	88%
Sub-standard	25	22%	62	12%
	<u>120</u>	<u>100%</u>	<u>510</u>	<u>100%</u>

2024 Condition Rating	Paved		Gravel	
	Miles	Percent	Miles	Percent
Standard	96	78%	448	88%
Sub-standard	24	22%	62	12%
	<u>120</u>	<u>100%</u>	<u>510</u>	<u>100%</u>

2023 Condition Rating	Paved		Gravel	
	Miles	Percent	Miles	Percent
Standard	96	78%	448	88%
Sub-standard	24	22%	62	12%
	<u>120</u>	<u>100%</u>	<u>510</u>	<u>100%</u>

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

The County’s bridges are monitored by the State of Wyoming. The State uses a comprehensive bridge management system (PONTIS) to assist in managing all bridges within the State. Each bridge is inspected at least once every two years. This inspection measures and rates the required National Bridge Inventory (NBI) items, including dimensions, clearances, alignment, waterway data and structural condition. The structural condition is evaluated by using structural elements. Each component of the bridge (girders, deck, railing, columns, piling, etc.) is assigned an element and the condition of each element is evaluated based on several condition assessments. The element data is converted to NBI ratings using a conversion program. The structure’s NBI data is then used to determine its sufficiency rating. The sufficiency rating is calculated by the Federal Highway Administration, and bridges with a sufficiency rating of 80 or less and classified as structurally deficient and/or functionally obsolete are put on the Federal Highway Administration Selection List. Functional obsolescence is a measure of the suitability of the bridge to provide for requirements of traffic both on and under the structure. Structural deficiency is a measure of the condition of the structural elements and the ability of the bridge to carry the anticipated loads. Bridges appearing on the Selection List are considered deficient, whereas those not on the list are considered good. The bridge subsystem condition assessment is done every year. The County’s policy is to maintain 50% of bridges at fair or better condition.

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

<u>Condition Rating</u>	2025	
	Bridges	Percent
Good (80 to 100 points)	3	8%
Fair (50 to 80 points)	27	76%
Deficient (less than 50 points)	6	16%
	<u>36</u>	<u>100%</u>

<u>Condition Rating</u>	2024	
	Bridges	Percent
Good (80 to 100 points)	3	8%
Fair (50 to 80 points)	27	76%
Deficient (less than 50 points)	6	16%
	<u>36</u>	<u>100%</u>

<u>Condition Rating</u>	2023	
	Bridges	Percent
Good (80 to 100 points)	3	8%
Fair (50 to 80 points)	27	76%
Deficient (less than 50 points)	6	16%
	<u>36</u>	<u>100%</u>

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

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

	Roads			Bridges		
	Estimated	Actual	Variance	Estimated	Actual	Variance
Maintenance and preservation expenditures (budgetary basis)						
2021	\$ 22,652,661	\$ 14,231,653	\$ 8,421,008	\$ -	\$ -	\$ -
2022	15,470,786	6,951,747	8,519,039	-	-	-
2023	18,319,102	10,825,848	7,493,254	-	-	-
2024	47,108,951	14,784,617	32,324,334	-	-	-
2025	49,463,908	30,304,726	19,159,182	-	-	-

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Converse County, Wyoming

Year Ended June 30, 2025

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary) - General Fund

(Unaudited)

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Tax - property	\$ 43,492,200	\$ 43,492,200	\$ 49,156,561	\$ 5,664,361
Tax - other	16,240,143	16,240,143	16,196,446	(43,697)
Intergovernmental	2,785,113	2,785,113	1,795,397	(989,716)
Charges for services	1,707,900	1,707,900	1,610,111	(97,789)
Investment income (loss)	2,761,500	2,761,500	3,934,716	1,173,216
Economic development	37,500	37,500	10,061	(27,439)
Miscellaneous	1,633,700	1,633,700	2,803,669	1,169,969
Total revenues	68,658,056	68,658,056	75,506,961	6,848,905
Expenditures				
County Commissioners	436,674	436,674	436,597	77
County Clerk	845,213	845,213	711,866	133,347
County Treasurer	916,529	916,529	866,307	50,222
County Assessor	1,260,286	1,260,286	1,246,598	13,688
County Sheriff	3,047,585	3,047,585	2,857,540	190,045
County Attorney	1,644,452	1,644,452	1,607,306	37,146
Courthouse/Maintenance	1,340,919	1,340,919	828,387	512,532
County Surveyor	276,896	276,896	197,302	79,594
County Coroner	102,863	102,863	91,939	10,924
Agricultural agents	210,337	210,337	193,960	16,377
Clerk of District Court	841,717	841,717	820,158	21,559
County jail	4,222,824	4,222,824	3,761,932	460,892
Road and bridge	6,347,357	6,347,357	5,290,693	1,056,664
Elections	329,580	329,580	290,084	39,496
Emergency management	337,820	1,078,720	1,078,702	18
IT	790,684	790,684	750,056	40,628
Health	743,924	743,924	678,370	65,554
Parks and recreation	1,943,571	1,943,571	646,048	1,297,523
Special projects	136,454	136,454	129,605	6,849
Human Resources	190,743	190,743	177,111	13,632
Total county departments	25,966,428	26,707,328	22,660,561	4,046,767

(Continued)

Converse County, Wyoming
Year Ended June 30, 2025

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

	Budget Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
General accounts	\$ 8,716,057	\$ 8,716,057	\$ 8,655,001	\$ 61,056
Community aid	961,000	961,000	914,281	46,719
Fire departments	1,825,878	1,825,878	1,825,878	-
Depreciation reserve	1,225,000	1,386,200	1,386,150	50
Total other expenditures	12,727,935	12,889,135	12,781,310	107,825
Total general fund	38,694,363	39,596,463	35,441,871	4,154,592
Economic development	85,000	85,000	56,621	28,379
Total expenditures	38,779,363	39,681,463	35,498,492	4,182,971
Excess of revenues over expenditures	29,878,693	28,976,593	40,008,469	11,031,876
Other financing sources (uses)				
Transfers in				
Nonmajor special revenue funds	-	-	439,489	439,489
Economic Development	-	-	55,220	55,220
Reserve funds (*)	2,000,000	2,000,000	2,000,000	-
Total transfers in	2,000,000	2,000,000	2,494,709	494,709
Transfers out				
Reserve funds (*)	(2,000,000)	(2,000,000)	(2,000,000)	-
Joint Justice Communications	(832,809)	(832,809)	(832,809)	-
Joint Justice Operations	(528,726)	(528,726)	(528,726)	-
Economic Development	(47,500)	(47,500)	(55,220)	(7,720)
Capital Construction	(15,410,442)	(15,410,442)	(15,410,442)	-
County Roads Fund	(14,388,184)	(14,388,184)	(14,388,184)	-
Total transfers out	(33,207,661)	(33,207,661)	(33,215,381)	(7,720)
Total other financing (uses)	(31,207,661)	(31,207,661)	(30,720,672)	486,989
Net change in fund balance	(1,328,968)	(2,231,068)	9,287,797	\$ 11,518,865
Fund balance, beginning of year	93,154,189	93,154,189	93,154,189	
Fund balance, end of year	\$ 91,825,221	\$ 90,923,121	\$ 102,441,986	

(*) The County maintains separate funds for its reserves and budgets transfers from the general fund to the reserve funds. The reserve funds are included in the County's general fund for financial reporting.

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Converse County, Wyoming

Year Ended June 30, 2025

**Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary) - Joint Justice Center Joint Powers Board
(Unaudited)**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 1,033,657	\$ 1,033,657	\$ 782,890	\$ (250,767)
Investment income	85,000	85,000	113,506	28,506
Total revenues	<u>1,118,657</u>	<u>1,118,657</u>	<u>896,396</u>	<u>(222,261)</u>
Expenditures				
Public safety				
Communications	1,665,618	1,665,618	1,379,600	286,018
Operations	714,494	714,494	673,960	40,534
Total expenditures	<u>2,380,112</u>	<u>2,380,112</u>	<u>2,053,560</u>	<u>326,552</u>
Excess (deficiency) of revenues over expenditures	<u>(1,261,455)</u>	<u>(1,261,455)</u>	<u>(1,157,164)</u>	<u>104,291</u>
Other financing sources				
Transfers in	1,376,614	1,376,614	1,361,535	(15,079)
Total other financing sources	<u>1,376,614</u>	<u>1,376,614</u>	<u>1,361,535</u>	<u>(15,079)</u>
Net change in fund balance	115,159	115,159	204,371	<u>\$ 89,212</u>
Fund balance, beginning of year	<u>3,106,613</u>	<u>3,106,613</u>	<u>3,106,613</u>	
Fund balance, end of year	<u>\$ 3,221,772</u>	<u>\$ 3,221,772</u>	<u>\$ 3,310,984</u>	

Converse County, Wyoming

Last 10 Fiscal Years *

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

	2025	2024	2023
Public Employees Pension Plan - County			
Proportion of the net pension liability	0.30231080%	0.28239560%	0.26002115%
Proportionate share of the net pension liability	\$ 6,304,913	\$ 6,410,892	\$ 7,105,895
Covered payroll	\$ 6,331,743	\$ 5,304,286	\$ 4,694,767
Proportionate share of the net pension liability as a percentage of its covered payroll	99.58%	120.86%	151.36%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	80.19%	75.47%
Law Enforcement Pension Plan - County			
Proportion of the net pension liability	2.09344810%	2.07633500%	2.08734800%
Proportionate share of the net pension liability	\$ 2,811,818	\$ 2,804,797	\$ 7,110,648
Covered payroll	\$ 4,037,086	\$ 3,472,925	\$ 3,369,092
Proportionate share of the net pension liability as a percentage of its covered payroll	69.65%	80.76%	211.06%
Plan fiduciary net position as a percentage of the total pension liability	87.88%	86.90%	70.30%
Public Employees Pension Plan - Component Units			
County Library			
Proportion of the net pension liability	0.03717270%	0.03809990%	0.03615070%
Proportionate share of the net pension liability	\$ 775,264	\$ 864,937	\$ 987,931
Covered payroll	\$ 788,415	\$ 715,637	\$ 652,713
Proportionate share of the net pension liability as a percentage of its covered payroll	98.33%	120.86%	151.36%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	80.19%	75.47%
Weed and Pest			
Proportion of the net pension liability	0.00840000%	0.00984000%	0.01170000%
Proportionate share of the net pension liability	\$ 175,545	\$ 223,350	\$ 319,477
Covered payroll	\$ 182,430	\$ 208,059	\$ 208,059
Proportionate share of the net pension liability as a percentage of its covered payroll	96.23%	107.35%	153.55%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	80.19%	75.47%
County Airport			
Proportion of the net pension liability	0.00313560%	0.00326850%	0.00345240%
Proportionate share of the net pension liability	\$ 65,395	\$ 74,201	\$ 94,348
Covered payroll	\$ 80,000	\$ 80,000	\$ 72,000
Proportionate share of the net pension liability as a percentage of its covered payroll	81.74%	92.75%	131.04%
Plan fiduciary net position as a percentage of the total pension liability	82.46%	80.19%	75.47%

*The amounts presented for each fiscal year were determined as of December 31, which is the measurement date.

2022	2021	2020	2019	2018	2017	2016
0.24543790%	0.23807634%	0.23722819%	0.22027724%	0.21156516%	0.20623750%	0.19816312%
\$ 3,742,273	\$ 5,174,255	\$ 5,574,688	\$ 6,708,083	\$ 4,822,290	\$ 4,985,792	\$ 4,615,908
\$ 4,466,793	\$ 4,238,871	\$ 4,123,531	\$ 3,835,808	\$ 3,758,196	\$ 3,677,019	\$ 3,182,564
83.78%	122.07%	135.19%	174.88%	128.31%	135.59%	103.23%
86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%
2.06141554%	1.95251674%	1.90734570%	1.81034961%	1.62265252%	1.49563660%	1.45762803%
\$ 5,865,522	\$ 1,330,097	\$ 1,644,108	\$ 4,382,355	\$ 1,396,203	\$ 1,129,085	\$ 1,094,696
\$ 3,424,655	\$ 3,138,465	\$ 2,972,626	\$ 2,749,897	\$ 2,491,536	\$ 2,314,934	\$ 2,192,269
171.27%	42.38%	55.31%	159.36%	56.04%	56.04%	48.77%
75.62%	91.82%	89.05%	71.22%	87.99%	88.11%	87.49%
0.03599654%	0.03338778%	0.02962926%	0.02719371%	0.02880958%	0.02633070%	0.02355706%
\$ 548,847	\$ 725,637	\$ 696,266	\$ 828,128	\$ 656,669	\$ 636,545	\$ 548,726
\$ 655,111	\$ 594,459	\$ 515,020	\$ 473,539	\$ 511,767	\$ 469,451	\$ 452,577
83.78%	122.07%	135.19%	174.88%	128.31%	135.59%	103.23%
86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%
0.00930000%	0.01080000%	0.01090000%	0.01090000%	0.00930000%	0.00850000%	0.00869739%
\$ 141,095	\$ 236,401	\$ 256,812	\$ 333,779	\$ 213,061	\$ 206,106	\$ 202,592
\$ 187,996	\$ 181,548	\$ 198,587	\$ 190,766	\$ 180,385	\$ 155,408	\$ 150,909
75.05%	130.21%	129.32%	174.97%	118.11%	132.62%	133.56%
86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%
0.00351500%	0.00312070%	0.00318120%	0.00302940%	0.00277490%	0.00278030%	0.00154752%
\$ 53,594	\$ 67,824	\$ 74,756	\$ 92,254	\$ 63,249	\$ 67,214	\$ 36,074
\$ 72,000	\$ 57,000	\$ 57,000	\$ 53,000	\$ 49,000	\$ 50,000	\$ 27,000
744.44%	118.99%	131.15%	174.06%	129.08%	134.43%	133.51%
86.03%	79.24%	76.83%	69.17%	76.35%	73.42%	73.40%

Converse County, Wyoming
Last 10 Fiscal Years

**Schedule of Pension Contributions
(Unaudited)**

	2025	2024	2023
Public Employees Pension Plan - County			
Statorily required contribution	\$ 615,955	\$ 563,308	\$ 485,319
Contributions in relations to the statorily required contributions	(615,955)	(563,308)	(485,319)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 6,573,693	\$ 6,011,825	\$ 5,179,498
Contributions as a percentage of payroll	9.37%	9.37%	9.37%
Law Enforcement Pension Plan - County			
Statorily required contribution	\$ 393,674	\$ 340,583	\$ 308,520
Contributions in relations to the statorily required contributions	(393,674)	(340,583)	(308,520)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 4,143,937	\$ 3,960,267	\$ 3,587,442
Contributions as a percentage of payroll	9.50%	8.60%	8.60%
Public Employees Pension Plan - Component Units			
County Library			
Statorily required contribution	\$ 75,434	\$ 76,896	\$ 65,612
Contributions in relations to the statorily required contributions	(75,434)	(76,896)	(65,612)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 805,059	\$ 820,662	\$ 700,235
Contributions as a percentage of payroll	9.37%	9.37%	9.37%
Weed and Pest			
Statorily required contribution	\$ 19,535	\$ 17,112	\$ 19,516
Contributions in relations to the statorily required contributions	(19,535)	(17,112)	(19,516)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 182,430	\$ 208,059	\$ 208,059
Contributions as a percentage of payroll	9.37%	9.37%	9.37%
County Airport			
Statorily required contribution	\$ 6,500	\$ 6,100	\$ 6,100
Contributions in relations to the statorily required contributions	(6,500)	(6,100)	(6,100)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 69,500	\$ 65,000	\$ 64,000
Contributions as a percentage of payroll	9.37%	9.37%	9.37%

2022	2021	2020	2019	2018	2017	2016
\$ 431,958	\$ 384,693	\$ 376,869	\$ 353,160	\$ 309,439	\$ 310,473	\$ 321,106
(431,958)	(384,693)	(376,869)	(353,160)	(309,439)	(310,473)	(321,106)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,610,011 9.37%	\$ 4,218,125 9.12%	\$ 4,248,805 8.87%	\$ 4,096,984 8.62%	\$ 3,697,001 8.37%	\$ 3,709,355 8.37%	\$ 3,836,392 8.37%
\$ 274,674	\$ 275,429	\$ 269,800	\$ 255,992	\$ 227,379	\$ 204,925	\$ 201,084
(274,674)	(275,429)	(269,800)	(255,992)	(227,379)	(204,925)	(201,084)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 3,193,884 8.60%	\$ 3,202,663 8.60%	\$ 3,137,209 8.60%	\$ 2,976,651 8.60%	\$ 2,643,942 8.60%	\$ 2,382,849 8.60%	\$ 2,338,186 8.60%
\$ 62,640	\$ 57,226	\$ 52,773	\$ 46,258	\$ 44,825	\$ 42,445	\$ 35,444
(62,640)	(57,226)	(52,773)	(46,258)	(44,825)	(42,445)	(35,444)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 668,517 9.37%	\$ 627,478 9.12%	\$ 594,961 8.87%	\$ 536,636 8.62%	\$ 535,544 8.37%	\$ 507,109 8.37%	\$ 423,465 8.37%
\$ 17,643	\$ 16,557	\$ 17,615	\$ 16,441	\$ 15,098	\$ 13,008	\$ 12,631
(17,643)	(16,557)	(17,615)	(16,441)	(15,098)	(13,008)	(12,631)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 187,996 9.37%	\$ 181,548 9.12%	\$ 198,587 8.87%	\$ 190,766 8.62%	\$ 180,385 8.37%	\$ 155,408 8.37%	\$ 150,909 8.37%
\$ 6,000	\$ 5,500	\$ 5,000	\$ 4,800	\$ 4,000	\$ 4,100	\$ 4,400
(6,000)	(5,500)	(5,000)	(4,800)	(4,000)	(4,100)	(4,400)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
\$ 60,300 9.37%	\$ 56,400 9.12%	\$ 56,300 8.87%	\$ 48,300 8.62%	\$ 49,100 8.37%	\$ 52,600 8.37%	N/A 8.37%

Notes to the Required Supplementary Information

(Unaudited)

Note 1. Basis of Budgeting

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

	<u>General Fund</u>	<u>Joint Justice Center</u>
Revenues		
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 75,506,961	\$ 896,396
Differences - Budgetary Basis to GAAP		
Due from other governments	(3,616,002)	(17,348)
Investment income	492,658	9,361
Miscellaneous	(13,381)	-
Proceeds from sale of capital assets	(44,280)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 72,325,956</u>	<u>\$ 888,409</u>
Expenditures		
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 35,498,492	\$ 2,053,560
Differences - Budgetary Basis to GAAP		
Accounts payable	281,729	65,009
Capital outlay	(172,669)	(19,863)
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 35,607,552</u>	<u>\$ 2,098,706</u>

Notes to the Required Supplementary Information

(Unaudited)

Note 1. Basis of Budgeting (Continued)

Budgetary Information

The schedules of revenues, expenditures and changes in fund balance – budget and actual – General Fund and Joint Justice Center Joint Powers Board, present a comparison of the legally adopted budget with actual data. The County prepares its budgets on a cash basis. Appropriations lapse at fiscal year-end. All budget amendments are approved by the County Commissioners and are presented within the final budget figures.

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

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

The budget is adopted according to the following schedule:

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

The general fund consists of the County's general fund, as well as the building maintenance reserve fund, the equipment reserve fund, the salary reserve fund, the economic development fund, payroll clearing funds, and a Treasurer clearing fund.

The total amount of the FY2025 budget amendment was \$902,100, and the fund that had to be amended was:

- Emergency management in the amount of \$740,900 due to unanticipated costs.
- General depreciation reserve in the amount of \$161,200 due to unanticipated costs

Notes to the Required Supplementary Information

(Unaudited)

Note 2. Explanation of Changes to Pension Plan

Changes in Benefits Terms

There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2024, measurement date.

Changes to Assumptions

The assumptions used in the actuarial valuation were adopted at the November 17, 2021, and the February 17, 2022, meetings and were first utilized with the actuarial valuation report for the year beginning January 1, 2021. In general, the assumptions reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as a lower long-term investment return. The expected rate of return on assets for all plans was decreased from 7.00% to 6.80%. There have been no actuarial assumption changes or methods since the prior valuation for all plans. See the table below:

Measurement Date (Plan Year-End)	2024	2023	2022	2021	2020	2019	2018	2017	2016
Discount rate									
PEPP	6.80%	6.80%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%
LEPP	6.80%	6.80%	6.80%	5.17%	7.00%	7.00%	5.92%	7.00%	7.75%
Investment rate of return	6.80%	6.80%	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%
Real return net of inflation	4.55%	4.55%	4.55%	4.55%	4.75%	4.75%	3.52%	4.75%	4.50%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%
Salary increases									
PEPP	2.50%- 6.50%	2.50%- 6.50%	2.50% - 6.50%	2.50% - 6.50%	2.50% - 6.50%	2.50% - 6.50%	4.75% - 8.75%	4.25% - 6.00%	4.25% - 6.00%
LEPP	5.25% - 9.25%	5.25% - 9.25%	5.25% - 9.25%	3.00% - 7.00%	4.75% - 8.75%	4.75% - 8.75%	4.75% - 8.75%	4.25% - 8.00%	4.25% - 8.00%
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%



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

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Converse County, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Governmental Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Converse County, Wyoming (County) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 11, 2026.

Our report includes a reference to other auditors who audited the financial statements of the Memorial Hospital of Converse County, the Converse County Weed and Pest Control District, and the Converse County Airport Board as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

County's Response to Findings

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

Purpose of This Report

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


Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
March 11, 2026

Material Weakness in Internal Control over Financial Reporting

2025-001

Significant Audit Adjustments

Criteria

An internal control structure should be designed to identify adjusting journal entries that are significant to Converse County, Wyoming's (the County) financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fundamental concepts in an adequate system of internal control are the identification and prevention or detection of errors on a timely basis.

Condition

Adjusting journal entries were proposed as follows:

- To increase accounts payable by approximately \$1,500,000 relating to county roads and capital projects fund

Cause

The accounts payable schedule prepared for accrual adjustments lacked a secondary review beyond the individual who prepared the underlying support.

Effect or Potential Effect

Prior to the proposed audit adjustments, the financial statements were not properly stated in accordance with U.S. GAAP.

Recommendation

We recommend that current internal control policies and procedures be enhanced to ensure that there are proper control activities, which include a separate review and approval of all listings that are used to support related journal entries.

Views of Responsible Officials

The Converse County Clerk and appropriate staff will review accounts payable processes and procedures and adjust accordingly to ensure pay applications, particularly those relating to major projects, are thoroughly reviewed from June through September prior to payment to ensure work is recorded in the same fiscal year it was performed.

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Board of Commissioners

Converse County, Wyoming

107 No. 5th St., Suite 114 • Douglas, WY 82633-2448 • 307-358-2244 • Fax 307-358-5998

Jim Willox, Chair • Rick Grant, Vice-Chair • Robert Short • Trent Kaufman • Donald Blackburn

Schedule of Prior Year Audit Findings

2024-001: Significant Audit Adjustments

Name of Contact Person: Karen Rimmer, Clerk

Condition

Adjusting journal entries were proposed as follows:

- To increase accounts payable by approximately \$1,900,000 relating to county roads and capital projects fund
- To increase capital assets by approximately \$2,500,000 relating to additions from previous years.

Status

This finding has been repeated.

2024-002: Reporting

Name of Contact Person: Karen Rimmer, Clerk

Condition

The amounts reported on the annual report to the Department of Treasury were not completed. Additionally, the report was not submitted timely.

Status

This finding has been corrected.

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Board of Commissioners

Converse County, Wyoming

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Jim Willox, Chair • Rick Grant, Vice-Chair • Robert Short • Trent Kaufman • Donald Blackburn

CORRECTIVE ACTION PLAN

FINANCIAL STATEMENT FINDINGS

Finding 2025-001 – Significant Audit Adjustments

Name of Contact Person:

Karen Rimmer, County Clerk

Corrective Action Plan:

The Converse County Clerk and appropriate staff will review accounts payable processes and procedures and adjust accordingly to ensure pay applications, particularly those relating to major projects, are thoroughly reviewed from June through September prior to payment to ensure work is recorded in the same fiscal year it was performed.

Proposed Completion Date:

Fiscal year ended June 30, 2026.