



City of Laramie, Wyoming

Single Audit Report
For the Year Ended June 30, 2021

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City of Laramie, Wyoming

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Single Audit Report

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Independent Auditor’s Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Honorable Mayor and Members of City Council
City of Laramie
Laramie, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Laramie, Wyoming’s (“the City”) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City’s major federal programs for the year ended June 30, 2021. The City’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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



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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon, dated January 25, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

April 15, 2022

City of Laramie, Wyoming
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor, Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass-through Entity Identifying Number	Expenditures of Federal Awards
Environmental Protection Agency			
<i>Passed through Wyoming State Loan & Investment Board</i>			
Clean Water State Revolving Fund Cluster			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF177	\$ 28,143
Total Clean Water State Revolving Fund Cluster			28,143
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	BF96855901	35,586
Total Environmental Protection Agency			63,729
U.S. Department of Transportation			
<i>Passed through State of Wyoming Department of Transportation and Wyoming Association of Sheriffs & Chiefs of Police</i>			
Highway Safety Cluster			
State and Community Highway Safety	20.600	HS40221	13,823
National Priority Safety Programs	20.616	NA HS4D520 HS4D521	150,326
Total Highway Safety Cluster			164,149
<i>Passed through State of Wyoming Department of Transportation and Wyoming Association of Sheriffs & Chiefs of Police</i>			
Highway Planning and Construction Cluster			
Highway Planning and Construction Program	20.205	CD18102	5,064
Total Highway Planning and Construction Program Cluster			5,064
Alcohol Open Container Requirements	20.607	NA	1,052
Total U.S. Department of Transportation			170,265
U.S. Department of Treasury			
<i>Direct Programs</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	NA	1,673,340
Total Direct Programs			1,673,340
<i>Passed through Wyoming Office of State Lands & Investments</i>			
COVID-19 Coronavirus Relief Fund	21.019	CRF 69-74 CRF-165	2,620,918
Total U.S. Department of Treasury			4,294,258

City of Laramie, Wyoming
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor, Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Agency or Pass-through Entity Identifying Number	Expenditures of Federal Awards
U.S. Department of Justice Office of Justice Programs			
Bulletproof Vest Partnership Program	16.607	Unknown	3,392
Total U.S. Department of Justice Office of Justice Programs			3,392
U.S. Department of Health & Human Services			
<i>Passed through Wyoming Association of Sheriffs and Chiefs of Police</i>			
Substance Abuse & Mental Health Services-Projects of Regional and National Significance	93.243	Unknown	7,908
Total U.S. Department of Health and Human Services			7,908
U.S. Department of Housing and Urban Development			
<i>Passed through Wyoming Business Council</i>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	GS-0008143	23,780
Total U.S. Department of Housing and Urban Development			23,780
Executive Office of the President			
<i>Passed through Wyoming Division of Criminal Investigation</i>			
High Intensity Drug Trafficking Areas Program	95.001	G20RM 0012A G21RM 0012A Unknown	76,136
Total Executive Office of the President			76,136
U.S. Department of Homeland Security			
<i>Passed through Wyoming Office of Homeland Security</i>			
Homeland Security Grant Program	97.067	20-SHSP-LAR-HEM20	42,835
Total U.S. Department of Homeland Security			42,835
U.S. Department of the Interior			
<i>Passed through Wyoming Department of State Parks and Cultural Resources</i>			
Outdoor Recreation, Acquisition, Development, and Planning Program	15.916	56-00919	15,939
Total U.S. Department of the Interior			15,939
Total Expenditures of Federal Awards			\$ 4,698,242

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

City of Laramie, Wyoming

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of City of Laramie, Wyoming (the City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

The City has elected not to use the ten percent de minimus indirect cost rate allowed under Uniform Guidance.

4. Subrecipients

The City has no subrecipients during the year ended June 30, 2021.

City of Laramie, Wyoming

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

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

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

Identification of major federal programs:

Assistance Listing Number(s)

Name of Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

21.019

COVID-19 Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? yes no

City of Laramie, Wyoming
Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II - Financial Statement Findings

2021-001 - Incurred but Not Reported (IBNR) Liability Calculation

Criteria: The City's financial statements are the responsibility of management. A proper system of internal control over financial reporting is essential in order to prevent, detect, and correct misstatements and to ensure that such information is useful in decision-making and evaluating managerial and departmental performance, as well as demonstrating accountability and stewardship. Controls must be properly designed, in place, and operating effectively to ensure that the City's accounting and financial information is fairly stated in accordance with generally accepted accounting principles (GAAP).

GASB 30, Risk Financing Omnibus - An Amendment of GASB Statement No. 10, requires that claims liabilities, including incurred but not reported claims (IBNR), should be based on the estimated ultimate cost of settling the claims (including the effects of inflation and other societal and economic factors), using past experience adjusted for current trends, and any other factors that would modify past experience. Claims liabilities should include specific, incremental claim adjustment expenditures/expenses. In addition, estimated recoveries on unsettled claims, such as salvage or subrogation, should be evaluated in terms of their estimated realizable value and deducted from the liability for unpaid claims. Estimated recoveries on settled claims also should be deducted from the liability for unpaid claims. Expenditures/expenses and liabilities may be estimated through a case-by-case review of all claims, the application of historical experience to the outstanding claims, or a combination of these methods. Estimates of IBNR losses should be based on historical experience. When historical experience is used, the outstanding claims should be stratified by amount and type of claim, and the strata should be sufficiently refined to ensure that the estimation is reasonable.

Condition: The City consulted with a third party to complete the calculation of the Incurred by Not Reported (IBNR) liability as of June 30, 2021. The calculation provided by the third party did not conform with requirements for claims liabilities as outlined by GASB 30, resulting in a material overstatement.

Cause: City's management did not review the IBNR calculation in sufficient detail to identify the methodology used by the third-party consultant did not conform with GAAP.

Effect or Potential Effect: The City's beginning Benefit claims incurred but not reported was overstated by \$364,081.

Recommendation: We recommend that management refine the process used to determine and evaluate the IBNR liabilities. The review process should include an evaluation of the reasonableness of actuarial estimates and assumptions by an individual with sufficient accounting and financial reporting experience and knowledge to determine material inconsistencies and errors.

Views of Responsible Officials:

The City agrees with the IBNR calculation finding and will implement the recommendation proposed by BDO USA, LLP immediately. While management will continue to contract with a consultant to generate this estimate, it will review the consultant's work and ensure that the calculation is prepared in accordance with GAAP.

City of Laramie, Wyoming

Schedule of Findings and Questioned Costs Year Ended June 30, 2021

Section III - Federal Award Findings

Our audit did not disclose any matters required to be reported in accordance with Uniform Guidance.



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Administrative Services Department
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Management's Corrective Action Plan

City of Laramie's management is documenting its corrective action plan for fiscal year 2021 audit findings below.

Finding: 2021-001 – Incurred but Not Reported (IBNR) Liability Calculation

Corrective Action Plan: Management agrees with the audit finding and will implement corrective action to prevent the issue in fiscal year 2022 and subsequent periods. Management will engage actuarial services that calculate the IBNR liability in accordance with the criteria defined in Government Accounting Standards Board (GASB) Statement No. 30, *Risk Financing Omnibus*. Management will also carefully review the work of its actuaries prior to recording the annual IBNR adjustment to ensure that GASB No. 30 requirements are met.

Anticipated Completion: June 30, 2022

Responsible Party: Jennifer Wade, CPA
Administrative Services Director
307-721-52224