

FREMONT COUNTY  
SCHOOL DISTRICT #1

**Financial and Compliance Report**

**June 30, 2023**





**FREMONT COUNTY  
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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Superintendent and  
Board of Trustees  
Fremont County School District #1  
Lander, WY

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

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Fremont County School District #1, ("District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Fremont County School District #1's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Fremont County School District #1, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fremont County School District #1 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fremont County School District #1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fremont County School District #1's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fremont County School District #1'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, pension schedules, and budgetary comparison information 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 an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fremont County School District #1's basic financial statements. The combining nonmajor governmental and proprietary fund schedules, budgetary comparison schedules, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management, was derived from, and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining nonmajor governmental and proprietary fund schedules, budgetary comparison schedules, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2023 on our consideration of the Fremont County School District #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fremont County School District #1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fremont County School District #1's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, WY  
December 8, 2023

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

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As management of the Fremont County School District #1, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements and various supplementary information, which follow this section.

***Financial Highlights***

- The District's total combined net position was \$ 49,825,679 at June 30, 2023, which compares to \$50,788,549 as of June 30, 2022.
- The District's revenue generated in taxes and other revenues was \$37,621,316. This is a decrease of \$1,646,854 from FY22. A large portion of this decrease is due to decreases in federal revenues received for addressing the Pandemic.
- For the District's governmental activities and business-type activities total expenses for FY23 were \$38,584,186. Total expenses for FY22 were \$34,495,335. This represents an increase of \$4,088,851.
- The District currently has no bond obligations. The District has paid off the bond obligation from the Series 2012 bonds as of June 30, 2020.
- The District participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Governmental accounting standards require the District to record its proportional share of the overall plan's net pension liability. This resulted in recording a net pension liability of \$24,168,514 and \$13,764,923 as of June 30, 2023 and 2022, respectively. All plan components, including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates and plan administration are controlled by the State of Wyoming. Readers should be aware the District is required to record the net liability but has no control of the plan elements that affect the net liability.

***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the financial statements themselves.

***Government-wide Financial Statements***

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

The statement of net position presents information on all of the District's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference between them reported as the net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, fluctuations from year to year need to be reviewed in light of the timing of funding.



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

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***Government-wide Financial Statements (Continued)***

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

The District's government-wide financial statements distinguish the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has three business-type activities: the Food Service Fund, the Swimming Pool Fund, and the Facilities Enterprise Fund. A fourth business-type activity reported in the financial statements is the TIGER Joint Powers Board. The TIGER Joint Powers Board is included in the financial statements as a blended component unit. More information is contained in Note 1 in the notes to the financial statements.

The government-wide financial statements include not only the District itself (known as the primary government), but also a legally separate Lander District Recreation Board. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole.

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

***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. Such information may be useful in evaluating a government's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds are reconciled in the financial statements. The General Fund, Federal and State Grants Fund, Major Maintenance Fund, and Capital Projects Fund are considered major funds and are reported as separate columns in the fund financial statements. All other governmental funds of the District are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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***Proprietary Funds***

Proprietary funds are used to account for services for which the District charges participants a fee. The District maintains one type of proprietary funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods and services to the students or general public on a continuing basis are financed or recovered primarily through user charges. These funds, like the government-wide statements, provide both long and short-term financial information. The District uses enterprise funds to account for its food service, swimming, and rental activities. The District has Food Service, Swimming Pool, and Facilities Enterprise funds. Included in the financial statements, as an enterprise fund is the TIGER Joint Powers Board, which is reported as a blended component unit.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in the fiduciary funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District has one fund in this category, the Employee Health Reimbursement Fund.

***Component Units Activities***

Component units are legally separate organizations for which the Board of Trustees of the primary government are financially accountable. The District has two component units. TIGER Joint Powers Board is presented as a blended component unit. The Fremont County School District #1 Recreation Board is discretely presented.

***Notes to the Financial Statements***

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

***Other Information***

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

June 30, 2023

**Management's Discussion and Analysis  
(Unaudited)****Financial Analysis of the District as a Whole**

The Statement of Net Position provides the perspective of the District as a whole. The following provides a summary of the District's net position at June 30, 2023:

**Condensed Statement of Net Position**

	2021-2022 Governmental Activities	2021-2022 Business-type Activities	2021-2022 Total School District	2022-2023 Governmental Activities	2022-2023 Business-type Activities	2022-2023 Total School District
Current assets	\$ 24,364,123	\$ 1,974,373	\$ 26,338,496	\$ 26,496,132	\$ 2,063,060	\$ 28,559,192
Capital assets, net of accumulated depreciation	53,224,945	541,911	53,766,856	53,271,567	447,251	53,718,818
Total assets	77,589,068	2,516,284	80,105,352	79,767,699	2,510,311	82,278,010
Deferred outflows of resources	3,699,463	94,296	3,793,759	10,417,357	347,101	10,764,458
Current liabilities	2,552,233	63,691	2,615,924	5,380,441	57,524	5,437,965
Noncurrent liabilities	14,002,768	310,009	14,312,777	23,793,298	801,532	24,594,830
Total liabilities	16,555,001	373,700	16,928,701	29,173,739	859,056	30,032,795
Deferred inflows of resources	15,890,771	281,090	16,171,861	12,940,242	243,752	13,183,994
Net position						
Net investment in capital assets	53,172,829	541,911	53,714,740	53,258,084	447,251	53,705,335
Restricted	8,205,918	-	8,205,918	7,863,128	-	7,863,128
Unrestricted	(12,535,988)	1,403,879	(11,132,109)	(13,050,137)	1,307,353	(11,742,784)
Total net position	\$ 48,842,759	\$ 1,945,790	\$ 50,788,549	\$ 48,071,075	\$ 1,754,604	\$ 49,825,679

The net investment in capital assets is \$53,705,335, which is the net book value of capital assets (e.g., land, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

There are five separate amounts that are restrictions on net position: \$81,315 is restricted by debt service; \$3,581,042 is restricted by state statute for depreciation, buildings, and maintenance; \$108,114 is restricted for payment of early retirement benefits; \$3,934,489 is restricted by state statute for major maintenance; \$86,881 is restricted for grants, and \$71,287 is restricted for scholarships. The deficit balance of \$11,742,784 is unrestricted. This negative balance of unrestricted net position is the direct result of the District recording its proportionate share of the net pension liability as required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* is designed to enhance the decision usefulness of information in employer and governmental non-employer contributing entity financial reports by required recognition of the entire net pension liability and a more comprehensive measure of pension expense. The District's total net position decreased by \$962,870 during the year ended June 30, 2023.

Fremont County School District #1

June 30, 2023

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

**Changes in the District's Net Position**

	2021-2022 Governmental Activities	2021-2022 Business-type Activities	2021-2022 Total School District	2022-2023 Governmental Activities	2022-2023 Business-type Activities	2022-2023 Total School District
<b>Revenues</b>						
<b>Program revenues</b>						
Charges for services	\$ -	\$ 206,510	\$ 206,510	\$ 670,471	\$ 487,565	\$ 1,158,036
Operating grants and contributions	7,543,038	1,210,966	8,754,004	6,367,814	554,544	6,922,358
Capital grants and contributions	1,447,910	-	1,447,910	2,693,932	-	2,693,932
<b>General revenues</b>						
Taxes	5,584,641	-	5,584,641	6,635,090	-	6,635,090
Governmental aid	23,235,948	-	23,235,948	20,099,491	-	20,099,491
Miscellaneous	39,116	41	39,157	109,184	3,225	112,409
Transfers	(386,617)	386,617	-	(601,806)	601,806	-
<b>Total revenues</b>	<b>37,464,036</b>	<b>1,804,134</b>	<b>39,268,170</b>	<b>35,974,176</b>	<b>1,647,140</b>	<b>37,621,316</b>
<b>Expenses</b>						
Regular instruction	(9,059,832)	-	(9,059,832)	(10,106,141)	-	(10,106,141)
Special instruction	(10,872,015)	-	(10,872,015)	(11,081,779)	-	(11,081,779)
Vocational instruction	(469,461)	-	(469,461)	(507,312)	-	(507,312)
Pupil services	(2,511,049)	-	(2,511,049)	(2,835,393)	-	(2,835,393)
Instructional staff services	(1,243,667)	-	(1,243,667)	(1,355,494)	-	(1,355,494)
General admin services	(703,973)	-	(703,973)	(717,125)	-	(717,125)
School admin services	(1,102,000)	-	(1,102,000)	(1,289,513)	-	(1,289,513)
Business services	(576,804)	-	(576,804)	(679,159)	-	(679,159)
O & M of plant services	(4,506,086)	-	(4,506,086)	(6,104,125)	-	(6,104,125)
Pupil transportation	(1,547,896)	-	(1,547,896)	(1,668,418)	-	(1,668,418)
Central services	(302,965)	-	(302,965)	(401,401)	-	(401,401)
Interest	(2,149)	-	(2,149)	-	-	-
Enterprise funds	-	(1,597,438)	(1,597,438)	-	(1,838,326)	(1,838,326)
<b>Total expenses</b>	<b>(32,897,897)</b>	<b>(1,597,438)</b>	<b>(34,495,335)</b>	<b>(36,745,860)</b>	<b>(1,838,326)</b>	<b>(38,584,186)</b>
<b>Change in net position</b>	<b>4,566,139</b>	<b>206,696</b>	<b>4,772,835</b>	<b>(771,684)</b>	<b>(191,186)</b>	<b>(962,870)</b>
Net position - beginning of year	44,276,620	1,739,094	46,015,714	48,842,759	1,945,790	50,788,549
<b>Net position - end of year</b>	<b>\$ 48,842,759</b>	<b>\$ 1,945,790</b>	<b>\$ 50,788,549</b>	<b>\$ 48,071,075</b>	<b>\$ 1,754,604</b>	<b>\$ 49,825,679</b>

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

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

***Governmental Funds***

***Revenues***

The general fund is the main operating fund of the District. General fund's revenue decreased from \$29,163,711 in FY22 to \$26,031,713 in FY23. Overall change in the other governmental funds' revenues was insignificant. The increase in Federal and State Grants fund revenue was from \$6,584,694 to \$6,668,284.

***Expenditures***

The total expenditures of the General Fund on a modified accrual basis of accounting were \$26,702,516 in FY22 compared to \$27,447,166 for FY23. The total expenditures for the same years on a budgetary (cash) basis were \$26,887,259 for FY22 and \$27,439,319 for FY23. The District uses the cash basis of accounting by which to operate. The Wyoming School Foundation Program operates on a cash basis of accounting.

***Proprietary Funds***

Although the Food Service Fund has been self-sustaining for the last couple of years, due to increased reimbursement from the Federal Government and the COVID-19 pandemic, going forward, we will monitor both the Food Service Fund and the Swimming Pool Fund, due to the fact that the District normally subsidized both of these funds from its General Fund. The District continues to monitor these funds and is currently working on efficiencies to lower the reliability on the General Fund. The TIGER Joint Powers Board receives revenues generated from the sale of the lots in the business park. There were no lot sales in FY23.

***General Fund Budgetary Highlights***

During the last couple of legislative sessions, the legislature has made adjustments to the funding model in regards to the External Cost Adjustment (ECA), however, due to inaction in the years previous, the funding model still lags behind and is not fully cost based. Other than these influxes related to the ECA by the legislature, the only other mechanism to increase funding for school districts is by way of increases to Average Daily Membership (ADM). For FCSD #1 ADM has been on the decline, and all future projections show that same picture. With this in mind, the District will have to watch funding closely and make future changes to its General Fund operating budget in order to adjust to reduced General Fund revenues. During the year ended June 30, 2023, the District amended the budget to increase the General Fund Support Services to \$8,300,000.

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

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***Component Units***

***TIGER Joint Powers Board***

The Board of Trustees and the City of Lander have formed a Joint Powers Board for the purpose of developing the land that previously contained Lander Valley High School. Fiscal year 2023 represents the sixteenth year of activity that requires the financial reporting of the activity. The TIGER Joint Powers Board continues to engage in the active advertising and continuous development of the remaining lots.

***Recreation Board***

The Recreation Board provides grants to fund public recreation projects within the District’s boundaries. This revenue is generated by the Fremont County School District #1 governing board continuing to pass a one-mill levy on the taxable property within the District.

***Capital Asset and Debt Administration***

***Capital Assets***

The District’s investment in capital assets for its governmental activities as of June 30, 2023 and June 30, 2022 amounts to \$53,271,567 and \$53,224,945 (net of accumulated depreciation), respectively. This investment in capital assets includes land, site improvements, buildings and equipment (which include vehicles and buses).

**District’s Capital Assets (Governmental Activities)**

Net of depreciation	2022-2023	2021-2022
Land	\$ 28,685	\$ 28,685
Work of art	60,000	60,000
Construction in progress	1,753,140	296,947
Buildings and improvements	49,701,780	51,350,715
Equipment and contents	694,297	558,507
Vehicles	1,023,265	881,350
Right-to-use leased equipment	10,400	48,741
Total	<u>\$ 53,271,567</u>	<u>\$ 53,224,945</u>

**District’s Capital Assets (Business-type Activities)**

Net of depreciation	2022-2023	2021-2022
Buildings and improvements	\$ 383,412	\$ 454,273
Equipment and contents	63,839	87,638
Total	<u>\$ 447,251</u>	<u>\$ 541,911</u>

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

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***Long-Term Debt***

There was a net decrease of \$240,185 in the long-term debt for FY23 for the governmental activities excluding pension liability. The majority of this decrease is attributed to the District paying off a large portion of the Early Retirement Incentive offered in FY18 and FY19. The District offered an Early Retirement Incentive, both in FY18 and in FY19 to employees who met the incentive requirements. As of June 30, 2023, the District had \$108,114 liability for the Early Retirement Incentive. Readers should be aware the District is required to record net pension liability, but has no control of the plan elements that affect the net pension liability. Additional information regarding long-term debt, leases, and pension liability is presented in Note 6 and 8 of the footnotes to the financial statements.

***Factors Affecting the District's Future***

The effects of state legislative action, the State of Wyoming's economy and the impacts of issues with the federal government related to educational processes and funding for school districts will continue to challenge the budgets and staffing requirements of the District. Coupled with this, as funding is based on student enrollment, static or decreasing student populations will most likely lead to decreased funding and place further burden on the District's budget. The District will continue to strive for operational efficiencies without adversely affecting the quality of education provided to its students. The District will continue to monitor this for the future.

***Requests for Information***

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Travis Sweeney, Business Manager, 863 Sweetwater, Lander, WY 82520.



**FINANCIAL  
STATEMENTS**



**Statement of Net Position**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Recreation Board
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 14,654,101	\$ 1,430,567	\$ 16,084,668	\$ 418,433
Investments	1,028,687	-	1,028,687	-
Cash held by fiscal agent	599,399	-	599,399	15,818
Property taxes receivable	6,817,954	-	6,817,954	236,398
Accounts receivable	45,369	20,239	65,608	-
Due from other governments	2,853,704	20,041	2,873,745	-
Receivable from fiduciary fund	30,297	-	30,297	-
Prepaid items	303,261	-	303,261	-
Inventory	163,360	26,592	189,952	-
Investment - land held for sale	-	565,621	565,621	-
Capital assets, not being depreciated	1,841,825	-	1,841,825	-
Capital assets, net of accumulated depreciation	51,429,742	447,251	51,876,993	-
Total assets	<u>79,767,699</u>	<u>2,510,311</u>	<u>82,278,010</u>	<u>670,649</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan items	10,417,357	347,101	10,764,458	-
Total deferred outflows of resources	<u>10,417,357</u>	<u>347,101</u>	<u>10,764,458</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	334,182	10,171	344,353	18,224
Accrued wages payable	1,597,723	25,301	1,623,024	-
Refundable advance	259,040	-	259,040	-
Unearned revenue	3,063,086	16,498	3,079,584	82,631
Noncurrent liabilities				
Due in one year				
Early retirement, leases, compensated absences	126,410	5,554	131,964	-
Due in more than one year				
Early retirement, leases, compensated absences	404,101	22,215	426,316	-
Net pension liability	23,389,197	779,317	24,168,514	-
Total liabilities	<u>29,173,739</u>	<u>859,056</u>	<u>30,032,795</u>	<u>100,855</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property tax revenue	5,624,651	-	5,624,651	196,964
Pension plan items	7,315,591	243,752	7,559,343	-
Total deferred inflows of resources	<u>12,940,242</u>	<u>243,752</u>	<u>13,183,994</u>	<u>196,964</u>
<b>NET POSITION</b>				
Net investment in capital assets	53,258,084	447,251	53,705,335	-
Restricted for				
Debt service	81,315	-	81,315	-
Depreciation, buildings, and maintenance - W.S. 21-13-504	3,581,042	-	3,581,042	-
Early retirement benefits	108,114	-	108,114	-
Grants	86,881	-	86,881	-
Major maintenance - WS 21-15-109	3,934,489	-	3,934,489	-
Scholarships	71,287	-	71,287	-
Unrestricted (deficit)	(13,050,137)	1,307,353	(11,742,784)	372,830
Total net position	<u>\$ 48,071,075</u>	<u>\$ 1,754,604</u>	<u>\$ 49,825,679</u>	<u>\$ 372,830</u>

Fremont County School District #1

Year Ended June 30, 2023

**Statement of Activities**

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular	\$ 10,106,141	\$ -	\$ 416,109	\$ -
Special	11,081,779	-	5,864,628	977,917
Vocational education	507,312	-	44,549	-
Support services				
Pupil services	2,835,393	670,471	-	-
Instructional staff services	1,355,494	-	-	-
General administration services	717,125	-	42,528	-
School administration services	1,289,513	-	-	-
Business services	679,159	-	-	-
Operation and maintenance of plant services	6,104,125	-	-	1,526,323
Pupil transportation services	1,668,418	-	-	-
Central services	401,401	-	-	189,692
Total governmental activities	<u>36,745,860</u>	<u>670,471</u>	<u>6,367,814</u>	<u>2,693,932</u>
Business-type activities				
TIGER Joint Powers Board	806	-	-	-
Food Service Fund	1,219,310	337,571	554,544	-
Swimming Pool Fund	618,210	107,995	-	-
Facilities Enterprise Fund	-	41,999	-	-
Total business-type activities	<u>1,838,326</u>	<u>487,565</u>	<u>554,544</u>	<u>-</u>
Total primary government	<u>\$ 38,584,186</u>	<u>\$ 1,158,036</u>	<u>\$ 6,922,358</u>	<u>\$ 2,693,932</u>
Component Unit				
Recreation Board	\$ 324,571	\$ -	\$ -	\$ -
Total component unit	<u>\$ 324,571</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for specific purpose				
Federal, State and Local aid not restricted to specific purposes				
State Foundation Program				
State, County and other				
Unrestricted investment income				
Miscellaneous revenue				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

Net (Expenses) Revenues and Changes in Net Position

Primary Government		Component Unit	
Governmental Activities	Business-type Activities	Total	Recreation Board
\$ (9,690,032)	\$ -	\$ (9,690,032)	\$ -
(4,239,234)	-	(4,239,234)	-
(462,763)	-	(462,763)	-
(2,164,922)	-	(2,164,922)	-
(1,355,494)	-	(1,355,494)	-
(674,597)	-	(674,597)	-
(1,289,513)	-	(1,289,513)	-
(679,159)	-	(679,159)	-
(4,577,802)	-	(4,577,802)	-
(1,668,418)	-	(1,668,418)	-
(211,709)	-	(211,709)	-
(27,013,643)	-	(27,013,643)	-
-	(806)	(806)	-
-	(327,195)	(327,195)	-
-	(510,215)	(510,215)	-
-	41,999	41,999	-
-	(796,217)	(796,217)	-
(27,013,643)	(796,217)	(27,809,860)	-
-	-	-	(324,571)
-	-	-	(324,571)
6,634,358	-	6,634,358	-
732	-	732	259,988
17,776,157	-	17,776,157	-
2,323,334	-	2,323,334	-
79,213	3,225	82,438	39
29,971	-	29,971	-
(601,806)	601,806	-	-
26,241,959	605,031	26,846,990	260,027
(771,684)	(191,186)	(962,870)	(64,544)
48,842,759	1,945,790	50,788,549	437,374
\$ 48,071,075	\$ 1,754,604	\$ 49,825,679	\$ 372,830

June 30, 2023

**Balance Sheet**  
**Governmental Funds**

	General	Federal and State Grants	Major Maintenance
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,742,883	\$ 259,040	\$ 4,055,967
Investments	961,702	-	-
Cash held by fiscal agent	518,084	-	-
Property taxes receivable	6,817,779	-	-
Accounts receivable	24,750	16	-
Due from other governments	87,703	2,766,001	-
Due from other funds	2,387,560	-	-
Due from fiduciary fund	-	-	-
Prepaid items	303,261	-	-
Inventory	163,360	-	-
Total assets	<u>\$ 17,007,082</u>	<u>\$ 3,025,057</u>	<u>\$ 4,055,967</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 115,115	\$ 91,446	\$ 121,478
Accrued wages payable	1,395,394	202,329	-
Due to other funds	76,908	2,310,652	-
Refundable advance	-	259,040	-
Unearned revenue	3,063,086	-	-
Total liabilities	<u>4,650,503</u>	<u>2,863,467</u>	<u>121,478</u>
Deferred inflows of resources			
Unavailable intergovernmental revenue	-	466,932	-
Unavailable property tax revenue	6,736,488	-	-
Total deferred inflows of resources	<u>6,736,488</u>	<u>466,932</u>	<u>-</u>
Fund balances			
Nonspendable			
Prepaid items	303,261	-	-
Inventory	163,360	-	-
Restricted			
Debt service	-	-	-
Depreciation, buildings and maintenance W.S. 21-13-504	-	-	-
Early retirement benefits	108,114	-	-
Grants	-	86,881	-
Major maintenance - WS 21-15-109	-	-	3,934,489
Scholarships	-	-	-
Committed			
Assigned			
Student activities	-	-	-
Unassigned			
Total fund balances	<u>5,045,356</u>	<u>(392,223)</u>	<u>-</u>
Total fund balances	<u>5,620,091</u>	<u>(305,342)</u>	<u>3,934,489</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,007,082</u>	<u>\$ 3,025,057</u>	<u>\$ 4,055,967</u>

Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ 3,813,082	\$ 783,129	\$ 14,654,101
-	66,985	1,028,687
-	81,315	599,399
-	175	6,817,954
-	20,603	45,369
-	-	2,853,704
-	-	2,387,560
-	30,297	30,297
-	-	303,261
-	-	163,360
<u>\$ 3,813,082</u>	<u>\$ 982,504</u>	<u>\$ 28,883,692</u>
\$ -	\$ 6,143	\$ 334,182
-	-	1,597,723
-	-	2,387,560
-	-	259,040
-	-	3,063,086
<u>-</u>	<u>6,143</u>	<u>7,641,591</u>
-	-	466,932
-	175	6,736,663
<u>-</u>	<u>175</u>	<u>7,203,595</u>
-	-	303,261
-	-	163,360
-	81,315	81,315
3,581,042	-	3,581,042
-	-	108,114
-	-	86,881
-	-	3,934,489
-	71,287	71,287
232,040	-	232,040
-	823,584	823,584
-	-	4,653,133
<u>3,813,082</u>	<u>976,186</u>	<u>14,038,506</u>
<u>\$ 3,813,082</u>	<u>\$ 982,504</u>	<u>\$ 28,883,692</u>

Fremont County School District #1

Year Ended June 30, 2023

**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 \$ 14,038,506

Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds. 53,271,567

Property tax receivables and intergovernmental revenue that do not provide financial resources are offset by deferred inflows of resources in the funds.

Difference in unavailable property tax revenue	\$ 1,112,012	
Difference in intergovernmental unavailable revenue	<u>466,932</u>	1,578,944

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	10,417,357	
Pension plan items - deferred inflows of resources	<u>(7,315,591)</u>	3,101,766

Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.

Leases	(13,483)	
Accrued compensated absences	(408,914)	
Net pension liability	(23,389,197)	
Early retirement benefits	<u>(108,114)</u>	<u>(23,919,708)</u>

Total net position		<u><u>\$ 48,071,075</u></u>
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Fremont County School District #1

Year Ended June 30, 2023

**Statement of Revenues, Expenditures and Changes in Fund Balances**

**Governmental Funds**

	General	Federal and State Grants	Major Maintenance
Revenues			
Taxes	\$ 5,568,168	\$ -	\$ -
Intergovernmental	20,410,918	6,661,437	1,526,323
Miscellaneous	19,965	-	-
Investment income	32,662	6,847	27,268
Total revenues	<u>26,031,713</u>	<u>6,668,284</u>	<u>1,553,591</u>
Expenditures			
Instruction			
Regular	9,836,809	104,681	-
Special	5,176,884	6,897,008	-
Vocational education	460,319	44,549	-
Support services			
Pupil services	2,341,815	-	-
Instructional staff services	1,354,981	-	-
General administration services	476,378	42,528	-
School administration services	1,279,199	-	-
Business services	670,881	-	-
Operation and maintenance of plant services	3,685,141	-	1,554,669
Pupil transportation services	1,804,859	-	-
Central services	320,418	-	-
Facilities, acquisitions and construction	-	-	-
Debt Service			
Principal	38,634	-	-
Interest and other charges	848	-	-
Scholarship awards	-	-	-
Total expenditures	<u>27,447,166</u>	<u>7,088,766</u>	<u>1,554,669</u>
Excess (deficiency) of revenues over expenditures	<u>(1,415,453)</u>	<u>(420,482)</u>	<u>(1,078)</u>
Other financing sources (uses)			
Transfers	(751,806)	-	-
Sale of capital assets	10,000	-	-
Total other financing sources (uses)	<u>(741,806)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,157,259)	(420,482)	(1,078)
Fund balances - beginning of year	<u>7,777,350</u>	<u>115,140</u>	<u>3,935,567</u>
Fund balances - end of year	<u>\$ 5,620,091</u>	<u>\$ (305,342)</u>	<u>\$ 3,934,489</u>

Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 813	\$ 5,568,981
189,032	-	28,787,710
-	674,893	694,858
8,675	-	75,452
<u>197,707</u>	<u>675,706</u>	<u>35,127,001</u>
-	-	9,941,490
-	-	12,073,892
-	-	504,868
-	500,077	2,841,892
-	-	1,354,981
-	-	518,906
-	-	1,279,199
-	-	670,881
-	-	5,239,810
-	-	1,804,859
-	-	320,418
277,318	-	277,318
-	-	38,634
-	-	848
-	1,750	1,750
<u>277,318</u>	<u>501,827</u>	<u>36,869,746</u>
<u>(79,611)</u>	<u>173,879</u>	<u>(1,742,745)</u>
150,000	-	(601,806)
-	-	10,000
<u>150,000</u>	<u>-</u>	<u>(591,806)</u>
70,389	173,879	(2,334,551)
<u>3,742,693</u>	<u>802,307</u>	<u>16,373,057</u>
<u>\$ 3,813,082</u>	<u>\$ 976,186</u>	<u>\$ 14,038,506</u>



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

---

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

Net change in fund balances - total governmental funds \$ (2,334,551)

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. This is the amount by which capital outlay and loss on disposal exceeded depreciation in the current period.

General government		
Capital outlay	\$ 2,490,630	
Depreciation expense	<u>(2,444,008)</u>	46,622

Governmental funds report payments on long-term debt as expenditures. However, in the statement of activities the principal paid is a reduction of the long-term liabilities. This is the amount of principal paid on long-term debt in the current period.

Principal paid on leases 38,633

Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds.

Difference in unavailable property tax revenue - prior year	(45,904)	
Difference in unavailable property tax revenue - current year	1,112,012	
Unavailable intergovernmental revenue - prior year	(94,067)	
Unavailable intergovernmental revenue - current year	<u>466,932</u>	1,438,973

The changes in compensated absences and early retirement do not use current financial resources of governmental funds. Thus, the change is not recorded in the governmental funds.

Early retirement benefits - current year	(108,114)	
Early retirement benefits - prior year	301,420	
Compensated absences - current year	(408,914)	
Compensated absences - prior year	<u>417,160</u>	201,552

(Continued)

Fremont County School District #1

Year Ended June 30, 2023

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

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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 the governmental funds.

Pension liability - prior year	\$ 13,472,713	
Pension liability - current year	(23,389,197)	
Deferred outflows - pension items - prior year	(3,699,462)	
Deferred outflows - pension items - current year	10,417,357	
Deferred inflows - pension items - prior year	10,351,267	
Deferred inflows - pension items - current year	<u>(7,315,591)</u>	<u>\$ (162,913)</u>
Change in net position of governmental activities		<u><u>\$ (771,684)</u></u>

June 30, 2023

**Statement of Net Position****Proprietary Funds**

	Business-type Activities			
	TIGER Joint Powers Board	Food Service Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 410,034	\$ 406,498	\$ 614,035	\$ 1,430,567
Accounts receivable	-	19,076	1,163	20,239
Due from other government	-	20,041	-	20,041
Inventory	-	26,592	-	26,592
Investment - land held for sale	565,621	-	-	565,621
Total current assets	<u>975,655</u>	<u>472,207</u>	<u>615,198</u>	<u>2,063,060</u>
Capital assets, net of accumulated depreciation				
	-	49,460	397,791	447,251
Total assets	<u>975,655</u>	<u>521,667</u>	<u>1,012,989</u>	<u>2,510,311</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan items	-	233,957	113,144	347,101
Total deferred outflows of resources	<u>-</u>	<u>233,957</u>	<u>113,144</u>	<u>347,101</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	-	1,570	8,601	10,171
Accrued wages payable	-	6,138	19,163	25,301
Unearned revenue	-	16,498	-	16,498
Total current liabilities	<u>-</u>	<u>24,206</u>	<u>27,764</u>	<u>51,970</u>
Noncurrent liabilities				
Due in one year	-	2,016	3,538	5,554
Early retirement, leases, compensated absences				
Due in more than one year	-	8,064	14,151	22,215
Early retirement, leases, compensated absences				
Net pension liability	<u>-</u>	<u>525,284</u>	<u>254,033</u>	<u>779,317</u>
Total liabilities	<u>-</u>	<u>535,364</u>	<u>271,722</u>	<u>807,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan items	<u>-</u>	<u>164,296</u>	<u>79,456</u>	<u>243,752</u>
Total deferred inflows of resources	<u>-</u>	<u>164,296</u>	<u>79,456</u>	<u>243,752</u>
<b>NET POSITION</b>				
Net investment in capital assets	-	49,460	397,791	447,251
Unrestricted	975,655	(17,702)	349,400	1,307,353
Total net position	<u>\$ 975,655</u>	<u>\$ 31,758</u>	<u>\$ 747,191</u>	<u>\$ 1,754,604</u>

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

	Business-type Activities			Total Enterprise Funds
	TIGER Joint Powers Board	Food Service Fund	Total Nonmajor Enterprise Funds	
Operating revenues				
Charges for services	\$ -	\$ 337,571	\$ 149,994	\$ 487,565
Total operating revenues	-	337,571	149,994	487,565
Operating expenses				
Salaries	-	284,014	319,515	603,529
Benefits	-	330,982	95,528	426,510
Contractual services	806	1,312	45,257	47,375
Supplies	-	24,987	59,504	84,491
Direct food costs	-	439,233	-	439,233
Cost of commodities	-	126,545	-	126,545
Miscellaneous	-	796	4,718	5,514
Depreciation	-	11,441	93,688	105,129
Total operating expenses	806	1,219,310	618,210	1,838,326
Operating loss	(806)	(881,739)	(468,216)	(1,350,761)
Nonoperating revenue				
Investment earnings	41	-	3,184	3,225
Federal reimbursements	-	554,544	-	554,544
Total nonoperating revenue	41	554,544	3,184	557,769
Loss before transfers	(765)	(327,195)	(465,032)	(792,992)
Transfers in	-	225,862	375,944	601,806
Total transfers	-	225,862	375,944	601,806
Change in net position	(765)	(101,333)	(89,088)	(191,186)
Net position - beginning of year	976,420	133,091	836,279	1,945,790
Net position - end of year	\$ 975,655	\$ 31,758	\$ 747,191	\$ 1,754,604

Fremont County School District #1

Year Ended June 30, 2023

**Statement of Cash Flows**

**Proprietary Funds**

	Business-type Activities			Total Enterprise Funds
	TIGER Joint Powers Board	Food Service Fund	Non-Major Enterprise Funds	
Cash flows from operating activities				
Cash received from customers	\$ -	\$ 311,909	\$ 150,339	\$ 462,248
Cash paid to suppliers for goods and services	(806)	(551,845)	(101,040)	(653,691)
Cash paid to employees for services	-	(444,056)	(388,288)	(832,344)
Net cash used in operating activities	(806)	(683,992)	(338,989)	(1,023,787)
Cash flows from noncapital financing activities				
Transfers from other funds	-	225,862	375,944	601,806
Federal reimbursement	-	499,535	-	499,535
Net cash provided by noncapital financing activities	-	725,397	375,944	1,101,341
Cash flows from capital financing activities				
Acquisition of capital assets	-	(10,469)	-	(10,469)
Net cash provided by (used in) capital financing activities	-	(10,469)	-	(10,469)
Cash flows from investing activities				
Investment earnings	41	-	3,184	3,225
Net cash provided by investing activities	41	-	3,184	3,225
Net increase (decrease) in cash and cash equivalents	(765)	30,936	40,139	70,310
Cash and cash equivalents - beginning of year	410,799	375,562	573,896	1,360,257
Cash and cash equivalents - end of year	\$ 410,034	\$ 406,498	\$ 614,035	\$ 1,430,567

(Continued)

Fremont County School District #1  
Year Ended June 30, 2023  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**

	Business-type Activities			
	TIGER Joint Powers Board	Food Service Fund	Non-Major Enterprise Funds	Total Enterprise Funds
Reconciliation of operating loss to net cash and cash equivalents used in operating activities:				
Operating loss	\$ (806)	\$ (881,739)	\$ (468,216)	\$ (1,350,761)
Adjustments to reconcile operating loss to net cash and cash equivalents used in operating activities:				
Depreciation	-	11,441	93,688	105,129
Donated commodities	-	63,323	-	63,323
Amortization of pension plan items	-	(204,483)	(95,660)	(300,143)
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities				
Accounts receivable	-	(19,076)	345	(18,731)
Inventory	-	(7,960)	-	(7,960)
Accounts payable	-	(14,335)	1,898	(12,437)
Accrued wages payable	-	8,833	8,439	17,272
Unearned revenue	-	(6,586)	-	(6,586)
Net pension liability	-	366,590	120,517	487,107
Net cash and cash equivalents used in operating activities	<u>\$ (806)</u>	<u>\$ (683,992)</u>	<u>\$ (338,989)</u>	<u>\$ (1,023,787)</u>

Fremont County School District #1  
 June 30, 2023  
**Statement of Fiduciary Net Position**

	Trust Fund Employee Health Reimbursement Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 374,202
Total assets	374,202
<b>LIABILITIES</b>	
Due to student activities fund	30,297
<b>NET POSITION</b>	
Held in trust for employee benefits	343,905
Total net position	\$ 343,905

Fremont County School District #1

Year Ended June 30, 2022

**Statement of Changes in Fiduciary Net Position**

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	<u>Trust Fund</u>
	<u>Employee Health</u>
	<u>Reimbursement</u>
	<u>Fund</u>
Additions	
Premiums received	\$ 131,180
Interest income	336
Total additions	<u>131,516</u>
Deductions	
Employee benefits paid	<u>157,197</u>
Total deductions	<u>157,197</u>
Change in net position	(25,681)
Net position - beginning of year	<u>369,586</u>
Net position - end of year	<u><u>\$ 343,905</u></u>



**Note 1. Summary of Significant Accounting Policies**

***Reporting Entity***

The Board of Trustees ("Board"), a seven member board elected by the public, has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Fremont County School District #1 ("District"). The District receives funding from local, state and federal government sources and must comply with all applicable requirements of these funding sources. Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Blended component units, although legally separate units, are, in substance, part of the District's operations and so data from these units are combined with data of the primary government. The accompanying financial statements present the District and its component units, entities for which the District is considered financially accountable. The aggregate discretely presented component units are reported in separate columns in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the District.

*Blended Component Unit* - The *TIGER Joint Powers Board* was established for the purpose of creating, expanding, and financing infrastructure and improvements in order to facilitate the sale, lease and/or utilization of specific real estate for business development purposes. This real property is commonly referred to as the Old Lander Valley High School Site. Three members of the five-member board are appointed by the District's Board of Trustees. The Joint Powers Board is presented as a business-type activity.

*Discretely Presented Component Unit* - The *Lander District Recreation Board* ("Recreation Board") provides grants to fund public recreation projects within the District's boundaries. The Board can impose a tax not to exceed one mill of the District's assessed valuation for the purpose of operating the Recreation Board. The nine-member governing body of the Recreation Board is appointed by the District's Board of Trustees. Two of the nine members also serve on the District's Board of Trustees. The Recreation Board is presented as a discretely presented component unit. The Recreation Board does not issue separate financial statements.

***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. 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 segments are 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. Summary of Significant Accounting Policies (Continued)**

***Government-Wide and Fund Financial Statements (Continued)***

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 enterprise funds are reported as separate columns in the fund financial statements.

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

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

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

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

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

The District reports the following major governmental funds:

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

The *federal and state grants fund* accounts for the proceeds of specific federal and state grant sources that are legally restricted to expenditure for specified purposes.

The *major maintenance fund* accounts for the proceeds of specific revenue sources for major maintenance or major capital projects that are restricted to expenditures for specified purposes.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

**Note 1. Summary of Significant Accounting Policies (Continued)**

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

The District reports the following nonmajor governmental funds:

- The *debt service fund* accounts for the accumulation of residual resources remaining after the payment of the general obligation bonds. All bonded debt was paid off as of 6/30/2020.
- The *student activities fund* is a special revenue fund that accounts for student activities and school fundraising activities throughout the district.
- The *scholarship fund* is a special revenue fund used to account for donations for scholarships that are received by the District that are to be awarded to current and former students for post-secondary education purposes.

The District has two major proprietary funds:

- The *TIGER Joint Powers Board* accounts for the business-type activities of the joint powers board created to oversee and administer the use and sale of the Old Lander Valley High School site.
- The *food service fund* accounts for the activities of the District's breakfast and lunch programs.

The District also maintains the following non-major proprietary funds:

- The *swimming pool fund* which accounts for the activities of the District's swimming program.
- The *facilities enterprise fund*, which accounts for rental income from the Old Hudson School building.

Additionally, the District reports the following fund types:

- *Private-Purpose Trust Fund* –The Employee Health Reimbursement fund accounts for the District's employee's HRA and Flex Benefits Plans.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 District's enterprise funds are charges to students and faculty for food services and swimming fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity***

***Cash and Cash Equivalents and Investments***

The District considers all demand deposits and highly liquid investments with an original maturity date of three months or less when purchased to be cash and cash equivalents. For purposes of the statement of cash flows, the District'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 District's cash activity is accounted for in pooled cash accounts. The accounting records for each applicable fund reflects its portion of the pooled cash or its actual cash balance. When a particular fund overdraws its share of the pooled cash, the deficit is recorded as a payable to the general fund and corresponding entry is made in the general fund to reflect the receivable from the other fund.

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

The District follows the guidelines described in Wyoming Statute 9-4-831 as it relates to investments of public funds. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts and repurchased agreements with banks with the underlying securities being obligations of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

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 District's investment in WGIF equals the value if its WGIF shares.

The District reports its investments at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net position date.

***Cash Held By Fiscal Agent***

Cash held by fiscal agent represents cash held by the county treasurer and Wyoming State Library.

***Accounts Receivable***

The District considers all accounts receivable to be fully collectible at June 30, 2023 and, therefore no allowance for doubtful accounts is deemed necessary.

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Continued)***

***Interfund Balances***

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities.

***Property Taxes***

The State of Wyoming has two different types of ad valorem property tax assessment methodologies: non-mineral and mineral. Non-mineral properties are annually valued and assessed on January 1 at fair market value, and mineral properties are valued and assessed on prior year mineral production. Non-mineral property taxes attach as an enforceable lien on assessed property as of January 1 of each year and mineral property taxes attached as an enforceable lien upon the severance of the mineral. Property taxes are levied on or about August 1 and are due in two installments. The first installment becomes due on September 1 and delinquent on November 10; the second becomes due on March 1 and delinquent on May 10. Fremont County bills and collects its own property taxes as well as for all municipalities and political subdivisions within the county, including Fremont County School District #1.

The collection of mineral-based ad valorem property taxes was significantly modified during the 2021 and 2022 Legislative Sessions. Beginning with mineral production year 2022, mineral ad valorem taxes are collected by the State of Wyoming and remitted to each county for distribution. Previously, each county billed and collected mineral ad valorem taxes. For the mineral production year 2021, mineral producers had the option to defer payment of taxes until December 1, 2023 at which time the taxes are due at eight percent per year until paid. Beginning with 2022, mineral-based ad valorem property taxes are due on or before the 25<sup>th</sup> day of the third month following the month of production.

District 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 but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date. Mineral property taxes for 2022 and 2023 production received by June 30, 2023 are not considered legally assessed and are recorded as unearned revenue in the fund and on the government-wide financial statements.

The District is required by Wyoming Statutes to levy taxes of twenty-five mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. In addition, the District levies six mills for a countywide school property tax, one-half mill for BOCES, and one mill for the recreation district. The combined tax levied to finance general school services, other than the payment of principal and interest on long-term debt, for the year ended June 30, 2023 was thirty-two and one-half mill.

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Continued)***

***Inventory and Prepaid Items***

Inventory is valued at the lower of cost (first-in, first-out method) or market. Inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold. Inventory in the general fund consists of office and school supplies and in the food service fund inventory consists of food and USDA commodities.

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 costs of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

***Land Held for Sale***

The TIGER Joint Powers Board currently holds 120,226 square-feet of land for sale. This land is recorded at cost of \$565,621, which approximates fair value.

***Capital Assets***

Capital assets, which include land, buildings, building improvements, vehicles, equipment, and right-to-use leased equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 or sensitive items and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, with the exception of right-to-use leased assets, the measurement of which is discussed below. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment and right-to-use leased equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives.

Assets	Years
Buildings	50
Building improvements	20
Vehicles	7-12
Equipment and contents	5-25
Right-to-use leased equipment	5-25

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Continued)***

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

In addition to assets and liabilities, the financial statements report a separate section for deferred outflows and inflows of resources. A deferred inflow of resources represents an acquisition of net assets by the District that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net assets by the District that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position or fund balance sheet, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until period(s) to which they are related. The District reports the following deferred inflows and outflows of resources:

*Unavailable revenues* – unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and intergovernmental revenue. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. In the government-wide statement of net position, the property tax revenue is reported as a deferred inflow of resources in the year the tax lien attaches to the property.

*Pension plan items* – In the government-wide and proprietary funds statement 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 differences 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 inflows or deferred outflows 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.

***Compensated Absences***

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

***Unearned Revenue***

Using both the accrual and modified accrual basis of accounting, unearned revenues arise when resources are received by the District before it has a legal claim to them or before eligibility requirements are met. In subsequent periods, when revenue recognition criteria are met, the liability for unearned revenue is removed and the revenue is recognized. Advanced payments on grants represent cash received for grant expenditures that have not been used and do not meet the criteria for recognition as of year-end. Additionally, property tax revenues collected and distributed by the county treasurer in advance of the fiscal year tax levy to which they apply. Food service fund's meal prepayment are reported as unearned revenues.

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Continued)***

***Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities on the statement of net position.

***Leases***

The District has a lessee for noncancellable leases of equipment. The District recognized a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

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

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses the risk free rate determined using a period comparable to the lease term as the discount rate.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

***Pensions***

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 due and payable in accordance with the benefit terms. Investments are reported at fair value.



**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Continued)***

***Fund Balance/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. 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 District's Board by a resolution for specified purposes. Assigned fund balance represents amounts that are intended to be used by the District for specific purposes but do not meet the criteria to be classified as committed. Unassigned fund balance in the General Fund represents 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 net position is classified the same as in the government-wide statements.

When both restricted and unrestricted fund balances are available for use, it is the District'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.

***Restricted Fund Balance/Net Position***

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position is 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.

***Use of Estimates***

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

**Note 1. Summary of Significant Accounting Policies (Continued)**

***Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Equity (Continued)***

***Implementation of GASB Statement No. 96***

As of July 1, 2022, the District adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. There was no impact of the implementation of this standard in the current year. The District's SBITAs met the exceptions provided in the statement.

**Note 2. Stewardship, Compliance, and Accountability**

***Budgets and Budgetary Accounting***

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

- Prior to May 15, the Superintendent submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted on the third Wednesday in July to obtain public comments.
- The budget is adopted by the third Thursday of July.
- At the request of the Superintendent or upon its own motion after publication of notice, the Board of Trustees may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department or account to another. All appropriations, excluding appropriations for capital projects, lapse at the close of the budget year to the extent they are not expended or encumbered. The level of expenditure control for budget purposes is the department level.
- Formal budgetary integration is employed as a management control device during the year for all funds.

**Notes to Financial Statements**

**Note 2. Stewardship, Compliance, and Accountability (Continued)**

***Budgets and Budgetary Accounting (Continued)***

- Budgets for all funds are adopted on a cash plus encumbrances and certain accounts payable basis (BUDGETARY). Such basis is not consistent with accounting principles generally accepted in United States of America (GAAP).
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration during the year. Encumbrances outstanding at year-end are immaterial.

**Note 3. Deposits and Investments**

***Custodial Credit Risk – Deposits***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the District 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. The District does not have a formal policy on custodial credit risk. Wyoming state statutes require that the District’s deposits in excess of the federal depository insurance amount be collateralized. Deposits held in the District’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 District. At June 30, 2023, the District had bank deposits of \$17,179,216, including the fiduciary funds, all of which were fully insured or collateralized as required by State statutes.

At June 30, 2023 the carrying amount of the District’s deposits included \$56,783 in cash equivalents held by investment brokers and not required to be collateralized.

	Carrying Amount
Government-wide Statement of Net Position	
Governmental activities	\$ 14,654,101
Business-type activities	1,430,567
Total primary government	<u>16,084,668</u>
Fiduciary Funds Statements of Net Position	
Private-purpose trust fund	\$ 374,202
Total fiduciary funds	<u>\$ 374,202</u>

At June 30, 2023, the carrying amount and the bank balance of the Lander District Recreation Board’s bank deposits was \$418,433. As of June 30, 2023, all deposits and investments of the Lander District Recreation Board held by financial institutions were insured or collateralized as required by statute.

**Notes to Financial Statements****Note 3. Deposits and Investments (Continued)****Investments**

As of June 30, 2023, the District had the following investments:

Type	Total	Interest Rate	Investment Maturity (in Years)				Investment Ratings (*)
			Less Than 1	1-5	6-10	More Than 10	
<b>Primary Government</b>							
U.S. Government Agencies	\$ 665,500	.4%-4.5%	\$ 19,733	\$ 645,767	\$ -	\$ -	Aaa
Short-term bond fund	92,190	N/A	92,190	-	-	-	Aaa
U.S. Treasury securities	98,091	2.37%	-	98,091	-	-	Aaa
Negotiable certificates of deposit	105,921	.5%-1.5%	87,291	18,630	-	-	Not rated
Taxable municipal bonds	9,519	5.00%	-	-	-	9,519	Aa2
Corporate bonds	7,780	5.91%	-	-	-	7,780	Not rated
Mutual funds	26,825	5.74%	26,825	-	-	-	Not rated
WGIF	22,861	4.99%	22,861	-	-	-	AAAm
Total governmental activities	<u>\$ 1,028,687</u>		<u>\$ 248,900</u>	<u>\$ 762,488</u>	<u>\$ -</u>	<u>\$ 17,299</u>	

(\*) S&P 500 or Moody's

**Credit Risk - Investments**

Generally, credit risk is the risk that an issuer of 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 statistical rating organization. The District has adopted Wyoming statute 9-4-31 as their investment policy, which limits investments to those with highest credit ratings from the nationally recognized credit organizations.

The District's student activities fund has investments in mutual funds and corporate bonds. These investments are allowable because they are held in the form in which they were received.

**Note 3. Deposits and Investments (Continued)**

***Custodial Credit Risk - Investments***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a formal policy for custodial credit risk. 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 District does not have any investments that are not registered in the name of the District. 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 District's investments in a single issuer. GASB 40 requires disclosure by issuer and amounts of investments in any one issuer that represents five percent (5%) or more of the total investments for the District. At June 30, 2023, 65% of the District's investments were in U.S. Government Agencies obligations, 10% in negotiable certificates of deposit, 10% in U.S. Treasury Securities, and 9% in short-term bond fund. This information is based on the concentrations of investments in the District's portfolio. Concentration risk does not arise in connection with U.S. government obligations and obligations explicitly guaranteed by the U.S. government. Likewise, concentration risk does not apply to a position in external investment pools, and similar pooled investments, which are designed, in part, to provide diversification. The District does not have a formal policy that allows for or limits an investment in any one issuer to a specified percentage of the District's total investments.

***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy to address interest rate risk. As a means of limiting its exposure to fair value losses arising from interest rates, the District 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, the some of the District's investments are held in external pooled investment accounts with a focus on liquidity as a means of limiting its exposure to fair value losses arising from interest rates. The 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®) of 60 days.

**Notes to Financial Statements****Note 3. Deposits and Investments (Continued)*****Fair Value of Investments***

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market 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 methodologies used at June 30, 2023.

*U.S. government agencies:* Valued using matrix pricing models for identical or similar assets in active markets.

*Short-term bond fund:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Negotiable certificates of deposit:* Valued at the 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 purchase value.

*Taxable municipal bonds and U.S. Treasury Securities:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Corporate bonds:* Valued at the closing price reported on the active market on which the individual securities are traded.

*Mutual funds:* Valued at the net asset value (NAV) of shares held by the District at year-end.

	Assets at Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Primary Government				
U.S. government agencies	\$ -	\$ 665,500	\$ -	\$ 665,500
Short-term bond fund	92,190	-	-	92,190
U.S. Treasury securities	-	98,091	-	98,091
Negotiable certificates of deposit	-	105,921	-	105,921
Taxable municipal bonds	-	9,519	-	9,519
Corporate bonds	-	7,780	-	7,780
Mutual funds	26,825	-	-	26,825
Total investments at fair value	<u>\$ 119,015</u>	<u>\$ 886,811</u>	<u>\$ -</u>	<u>\$ 1,005,826</u>
Other investments where cost approximates fair value:				
Land held for sale				565,621
Other investments reported in the following classification				
WGIF investment pool				<u>22,861</u>
Total primary government investments				<u><u>\$ 1,594,308</u></u>

**Notes to Financial Statements**

**Note 4. Individual Interfund Receivables, Payables and Transfers**

Individual fund interfund receivables and payable balances are as follows:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 2,387,560	\$ 76,908
Federal and State Grants Fund	-	2,310,652
	<u>\$ 2,387,560</u>	<u>\$ 2,387,560</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (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>
Governmental Funds		
General Fund	\$ -	\$ 751,806
Capital Projects	150,000	-
Total governmental funds	<u>150,000</u>	<u>751,806</u>
Business-type activities - Enterprise Funds		
Food Service Fund	225,862	-
Swimming Pool Fund	375,944	-
Total business-type activities - enterprise funds	<u>601,806</u>	<u>-</u>
	<u>\$ 751,806</u>	<u>\$ 751,806</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in accordance with budgetary authorizations.

June 30, 2023

**Notes to Financial Statements****Note 5. Capital Assets**

A summary of changes in capital assets follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 28,685	\$ -	\$ -	\$ 28,685
Work of art	60,000	-	-	60,000
Construction in progress	296,947	1,752,326	296,133	1,753,140
Total capital assets, not being depreciated	<u>385,632</u>	<u>1,752,326</u>	<u>296,133</u>	<u>1,841,825</u>
Capital assets, being depreciated				
Buildings and improvements	74,937,860	78,942	-	75,016,802
Equipment and contents	6,266,704	538,889	-	6,805,593
Vehicles	4,985,238	416,606	-	5,401,844
Right-to-use leased equipment	125,779	-	-	125,779
Total capital assets, being depreciated	<u>86,315,581</u>	<u>1,034,437</u>	<u>-</u>	<u>87,350,018</u>
Less accumulated depreciation				
Buildings and improvements	23,587,145	1,727,877	-	25,315,022
Equipment and contents	5,708,197	403,099	-	6,111,296
Vehicles	4,103,888	274,691	-	4,378,579
Right-to-use leased equipment	77,038	38,341	-	115,379
Total accumulated depreciation	<u>33,476,268</u>	<u>2,444,008</u>	<u>-</u>	<u>35,920,276</u>
Total capital assets, being depreciated, net	<u>52,839,313</u>	<u>(1,409,571)</u>	<u>-</u>	<u>51,429,742</u>
Governmental activities capital assets, net	<u>\$ 53,224,945</u>	<u>\$ 342,755</u>	<u>\$ 296,133</u>	<u>\$ 53,271,567</u>
<b>Business-type activities</b>				
Capital assets, being depreciated				
Buildings and improvements	\$ 1,604,371	\$ -	\$ -	\$ 1,604,371
Equipment and contents	414,757	10,469	-	425,226
	2,019,128	10,469	-	2,029,597
Less accumulated depreciation	<u>1,477,217</u>	<u>105,129</u>	<u>-</u>	<u>1,582,346</u>
Total capital assets, being depreciated	<u>541,911</u>	<u>(94,660)</u>	<u>-</u>	<u>447,251</u>
Business-type activities, net	<u>\$ 541,911</u>	<u>\$ (94,660)</u>	<u>\$ -</u>	<u>\$ 447,251</u>



**Notes to Financial Statements**

**Note 5. Capital Assets (Continued)**

Depreciation expenses were charged to functions/programs of the District as follows:

Governmental activities			
Instruction			
Regular		\$	157,398
Special			3,546
Pupil services			14,283
Vocational education			27,685
Support services			
Pupil transportation services			274,691
General administrative services			234,028
Business services			4,500
Operation and maintenance of plant services			1,727,877
Total depreciation expenses - governmental activities		\$	<u>2,444,008</u>
Business-type activities			
Food service fund		\$	11,441
Swimming pool fund			93,688
Total depreciation expenses - business-type activities		\$	<u>105,129</u>

**Note 6. Long-Term Debt**

The following is a summary of debt transactions of the District for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities</b>					
Early retirement benefits	\$ 301,420	\$ -	\$ 193,306	\$ 108,114	\$ 108,114
Leases	52,116	-	38,633	13,483	10,644
Accrued compensated absences	417,160	-	8,246	408,914	7,652
	<u>770,696</u>	-	240,185	530,511	126,410
Net pension liability	<u>13,472,713</u>	<u>9,916,484</u>	<u>-</u>	<u>23,389,197</u>	<u>-</u>
Total governmental activities	<u>\$ 14,243,409</u>	<u>\$ 9,916,484</u>	<u>\$ 240,185</u>	<u>\$ 23,919,708</u>	<u>\$ 126,410</u>
<b>Business-type Activities</b>					
Accrued compensated absences	\$ 22,249	\$ 5,521	\$ -	\$ 27,770	\$ 5,554
Net pension liability	<u>292,210</u>	<u>487,107</u>	<u>-</u>	<u>779,317</u>	<u>-</u>
Total business-type activities	<u>\$ 314,459</u>	<u>\$ 492,628</u>	<u>\$ -</u>	<u>\$ 807,087</u>	<u>\$ 5,554</u>

Long-term debt related to the governmental activities is generally liquidated by the general fund. Long-term debt related to the business-type activities is liquidated by the Food Service Fund and the Swimming Pool Fund.

**Notes to Financial Statements**

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**Note 6. Long-Term Debt (Continued)**

***Early Retirement Obligation***

In the fiscal years 2020 and 2019, the District offered an early retirement benefit to its employees. In order to be eligible for early retirement benefits, an employee had to meet the Wyoming Retirement System rule of 85 or be 60 years of age on or before October 1<sup>st</sup> in the fiscal year requesting an early retirement, and had seven years of continuous, consecutive, full-time, benefited employment in this District; or be in or beyond his/her 20<sup>th</sup> consecutive year of employment in a full-time benefited position with the District as of the end of the 2020 and 2019 school year. An employee who elected and qualified for an early retirement received \$10,000 annual payment over a 5-year period. The District had 42 employees who have accepted early retirement. As of June 30, 2023, the remaining obligation is \$108,114. The imputed interest on this obligation would not be material and the full liability has been accrued. This amount will be payable in the fiscal year ended 2024.

**Note 7. Leases**

***Lease payable***

As of June 30, 2023, the value of the lease liability was \$13,483. The District is required to make monthly principal and interest payments of \$2,593. The lease has an interest rate of 2.72%. The equipment has a 3 year estimated useful life. The total value of the right-to-use asset as of the end of the current fiscal year was \$125,779 and had accumulated amortization of \$115,379.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2024	\$ 10,644	\$ 164	\$ 10,808
2025	2,839	32	2,871
	\$ 13,483	\$ 196	\$ 13,679

**Note 8. 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 District employees are covered under the following retirement plan:

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

The District 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 District full-time employees are eligible to participate.

PEPP members are required to contribute 9.25% of their annual covered salary and the employer is statutorily required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The District has elected to contribute an additional 7.25% on behalf of eligible employees. Although paid by the District, for purposes of recording the net pension liability, these additional contributions are considered to be employee contributions. The District currently pays 16.62% of covered payroll and employees contribute the remaining portion, 2% of covered payroll. The District's contributions to the PEPP plan for the years ended June 30, 2023, 2022 and 2021 were \$2,857,063, \$2,736,209, and \$3,014,821, respectively, while the employees' portion was \$340,395, \$307,973, and \$0, respectively.

For the years ended June 30, 2023, 2022 and 2021, the District's statutorily required contributions to the PEPP pension plan were \$1,608,613, \$1,520,830, and \$1,517,393, respectively. As of July 1, 2023, the statutorily employer contribution rate will not increase for the employer or the employee

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

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

**Notes to Financial Statements**

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**Note 8. Pension Plans (Continued)**

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

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 seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. The State Legislature must grant any cost of living adjustment provided to retirees. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

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

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

At June 30, 2023, the District reported a total liability of \$24,168,514 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2022, 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 covering the five-year period ending December 31, 2020. The net pension liability as of December 31, 2022 is based on the results of an actuarial valuation as of January 1, 2022, rolled forward to a measurement date of December 31, 2022.

The schedule below shows the District's proportionate share of the net pension liability as of June 30, 2023, the proportionate portion at the measurement date of December 31, 2022, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2023	Proportion at December 31, 2022	Increase (decrease) from December 31, 2021
Public Employees' Pension Plan	<u>\$ 24,168,514</u>	<u>0.884381800%</u>	<u>-0.018400900%</u>

June 30, 2023

**Notes to Financial Statements****Note 8. Pension Plans (Continued)*****Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

For the year ended June 30, 2023, the District recognized pension expense of \$1,958,490.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 8,996,288	\$ 7,036,067
Changes in assumptions	662,120	-
Difference between actual and expected experience rate	121,815	153,207
Change in employer's portion	165,072	370,069
Amortizing deferred outflows and deferred inflows	9,945,295	7,559,343
Contributions subsequent to the measurement date	819,163	-
Total	<u>\$ 10,764,458</u>	<u>\$ 7,559,343</u>

The District reported \$819,163 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, 2024. Other amounts reported as deferred outflows and inflows related to pension will be recognized in pension expense as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Year ended June 30,		
2024	\$ 2,932,600	\$ 3,703,011
2025	2,514,549	2,233,885
2026	2,249,072	1,622,447
2027	2,249,074	-
	<u>\$ 9,945,295</u>	<u>\$ 7,559,343</u>

**Notes to Financial Statements****Note 8. Pension Plans (Continued)*****Actuarial Assumptions***

The total pension liability in the December 31, 2022 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, 2022
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	25 years
Asset valuation method	5 Year smoothed market
Inflation	2.25%
Salary increases	2.5% to 6.5%, 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	Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 103%
Pre-Retirement Mortality	Pub-2010 General Employee Mortality Table, amount weighted, fully generational, projected with MP-2020 Ultimate Scale Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

The plans 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, 2022. 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 2022.

**Notes to Financial Statements**

**Note 8. Pension Plans (Continued)**

***Actuarial Assumptions (Continued)***

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%	0.30%	0.32%
Gold	1.50%	2.34%	0.72%
Fixed income	20.00%	3.59%	4.05%
Equity	51.50%	7.09%	9.00%
Marketable alternatives	16.00%	5.14%	6.02%
Private markets	10.50%	6.05%	7.67%
Total	100.00%	5.86%	7.23%

***Discount Rate***

The discount rate used to measure the Public Employees Plan total pension liability was 6.80 percent. 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 the purposes of this valuation, the expected rate of return on pension plan investments is 6.80 percent, the municipal bond rate is 4.05% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting single discount rates listed above.

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

The following table represents the District's proportionate share of the net unfunded pension liability calculated using the discount rate as previously discussed as well as what the District'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 rate used:

Pension Plan	1% Decrease (5.80)%	Current Single Discount Rate Assumption (6.80)%	1% Increase (7.80)%
Public Employees' Pension Plan	\$ 35,688,216	\$ 24,168,514	\$ 14,621,803

**Note 8. Pension Plans (Continued)**

***Payables to the Pension Plan***

At June 30, 2023, the District reported no payables to the pension plan.

**Note 9. Risk Management**

***General Liability***

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. The District is a member of the School Risk Retention Program ("SRRP"). The SRRP Property and Casualty Insurance Program has a structure that is often referred to as a protected self-insurance program in that it collects contributions from its members to pay for: 1) self-insured expected losses (as determined by an actuary); 2) Insurance/reinsurance premiums to protect against unpredictable loss frequency and severity; and 3) modest program administration costs. In years where the loss experience for the members is favorable, the realized profits remain the property of the program and may be used to offset future member contributions. The District has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. The District also participates in two other risk management programs: 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 unless the employer elects not to be covered under the plan. This act requires the District to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This act provides general protection from suits filed by employees against the District. The District makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the District to the State for Workers' Compensation during fiscal year 2023 were \$91,425.

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. This act requires the District to pay the cost of actual claims incurred. This act requires the District to pay the cost of actual claims incurred. The District incurred and paid \$6,167 and \$6,247 in claims under the Unemployment Compensation Act Program for the fiscal years ended June 30, 2023 and 2022, respectively. There were no claims payable at June 30, 2023, 2022 or 2021.

The District participates in the Wyoming Educator Benefit Trust (WEBT). WEBT sets premium rates each year based on projected medical costs. The District paid \$4,056,944 in premiums to Blue Cross Blue Shield of Wyoming, WEBT's third party administrator. Were the District to withdraw from coverage through WEBT, the District would not be responsible for any specific liabilities nor is it entitled to any of the reserves. As a participating employer, if the trust is dissolved the District may be entitled to a residual portion of the plan reserves.



**Notes to Financial Statements**

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**Note 10. Commitments and Contingencies**


As of the fiscal year ended June 30, 2023, the District had \$1,495,000 in outstanding construction commitments related to installation of electronic locks, HVAC system at Pathfinder High School, and the gym floor at Lander Valley High School.

**Note 11. Issued Standards Not Yet Implemented**

As of June 30, 2023, the Governmental Accounting Standards Board has issued the following standard, which the District may implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*, aligns recognition and measurement guidance for all types of compensated absences under a unified model, which will result in governments recognizing a liability that more appropriately reflects when they incur an obligation for compensated absences. The model also will lead to greater consistency in application and improved comparability across governments. The requirements of the Statement are effective for reporting periods beginning after December 15, 2023.

Management has not completed its assessment of the effects of implementing this standard.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)**

Fremont County School District #1

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual (Non-GAAP Basis)**

**General Fund**

**(Unaudited)**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 6,978,407	\$ 6,978,407	\$ 8,394,137	\$ 1,415,730
Intergovernmental	20,998,846	20,998,846	20,407,462	(591,384)
Miscellaneous	15,000	15,000	52,628	37,628
Total revenues	<u>27,992,253</u>	<u>27,992,253</u>	<u>28,854,227</u>	<u>861,974</u>
Expenses				
Instruction	16,722,725	16,722,725	16,605,505	117,220
Instructional support	2,877,006	2,877,006	2,545,916	331,090
General support	7,248,135	8,300,000	8,287,898	12,102
Total expenditures	<u>26,847,866</u>	<u>27,899,731</u>	<u>27,439,319</u>	<u>460,412</u>
Excess of revenues over expenditures	<u>1,144,387</u>	<u>92,522</u>	<u>1,414,908</u>	<u>1,322,386</u>
Other financing sources (uses)				
Transfers out	(1,196,552)	(1,196,552)	(751,806)	444,746
Sale of capital assets	-	-	10,000	10,000
Total other financing sources (uses)	<u>(1,196,552)</u>	<u>(1,196,552)</u>	<u>(741,806)</u>	<u>444,746</u>
Net change in fund balance	(52,165)	(1,104,030)	673,102	<u>\$ 1,767,132</u>
Fund balance - beginning of year	<u>7,185,825</u>	<u>7,185,825</u>	<u>7,185,825</u>	
Fund balance - end of year	<u>\$ 7,133,660</u>	<u>\$ 6,081,795</u>	<u>\$ 7,858,927</u>	

Fremont County School District #1

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual (Non-GAAP Basis)**

**Federal and State Grants**

**(Unaudited)**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 6,000,000	\$ 6,000,000	\$ 6,358,964	\$ 358,964
Miscellaneous	-	-	6,829	6,829
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,365,793</u>	<u>365,793</u>
Expenditures	<u>6,000,000</u>	<u>7,200,000</u>	<u>7,151,256</u>	<u>48,744</u>
Total expenditures	<u>6,000,000</u>	<u>7,200,000</u>	<u>7,151,256</u>	<u>48,744</u>
Deficiency of revenues over expenditures	-	(1,200,000)	(785,463)	<u>\$ 414,537</u>
Fund balance (deficit) - beginning of year	<u>(1,395,055)</u>	<u>(1,395,055)</u>	<u>(1,395,055)</u>	
Fund balance (deficit) - end of year	<u>\$ (1,395,055)</u>	<u>\$ (2,595,055)</u>	<u>\$ (2,180,518)</u>	

Fremont County School District #1

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual (Non-GAAP Basis)**

**Major Maintenance**

**(Unaudited)**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,547,251	\$ 1,547,251	\$ 1,526,323	\$ (20,928)
Miscellaneous	1,000	1,000	27,268	26,268
Total revenues	<u>1,548,251</u>	<u>1,548,251</u>	<u>1,553,591</u>	<u>5,340</u>
Expenditures				
Facilities, acquisitions and construction services	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,439,679</u>	<u>1,560,321</u>
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,439,679</u>	<u>1,560,321</u>
Excess (deficiency) of revenues over expenditures	(1,451,749)	(1,451,749)	113,912	<u>\$ 1,565,661</u>
Fund balance - beginning of year	<u>3,942,055</u>	<u>3,942,055</u>	<u>3,942,055</u>	
Fund balance - end of year	<u>\$ 2,490,306</u>	<u>\$ 2,490,306</u>	<u>\$ 4,055,967</u>	

Fremont County School District #1

Last 10 fiscal years \*\*

**Schedule of Changes in Net Pension Liability and Related Ratios**

**(Unaudited)**

	2023	2022	2021	2020
<b>Public Employees Pension Plan</b>				
District's proportion of the net pension liability	0.8843818%	0.9027827%	0.8878506%	0.8979972%
District's proportionate share of the net pension liability	\$ 24,168,514	\$ 13,764,923	\$ 19,296,189	\$ 21,102,272
District's covered payroll	15,967,802	16,429,995	15,807,890	15,609,102
District's proportionate share of the net pension liability as a percentage of its covered payroll	151.36%	83.78%	122.07%	135.19%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	86.03%	79.24%	76.83%

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

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

2019	2018	2017	2016	2015	2014
0.8979808%	0.8903579%	0.871975000%	0.859596313%	0.842868841%	*
\$ 27,346,129	\$ 20,294,289	\$ 21,079,998	\$ 20,022,989	\$ 14,874,041	*
15,637,030	15,816,118	15,546,488	14,991,995	14,408,105	*
174.88%	128.31%	133.59%	133.56%	103.23%	*
69.17%	76.35%	73.42%	73.40%	79.08%	*

Fremont County School District #1

Last 10 fiscal years

**Schedule of Pension Contributions  
(Unaudited)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Public Employees Pension Plan</b>				
Statutorily required contribution	\$ 1,608,613	\$ 1,520,830	\$ 1,517,393	\$ 1,435,934
Contributions in relations to the statutorily required contributions	<u>(1,608,613)</u>	<u>(1,520,830)</u>	<u>(1,517,393)</u>	<u>(1,435,934)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 17,167,695	\$ 16,230,843	\$ 16,638,081	\$ 16,188,658
Contributions as a percentage of covered payroll	9.37%	9.37%	9.12%	8.87%

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



<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 1,360,063	\$ 1,299,124	\$ 1,271,519	\$ 1,341,423	\$ 1,219,648	*
<u>(1,360,063)</u>	<u>(1,299,124)</u>	<u>(1,271,519)</u>	<u>(1,341,423)</u>	<u>(1,219,648)</u>	<u>*</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>*</u>	<u>*</u>	<u>*</u>
\$ 15,777,993	\$ 15,521,195	\$ 15,191,386	\$ 16,026,559	\$ 16,005,879	*
8.62%	8.37%	8.37%	8.37%	7.62%	*

**Notes to Required Supplementary Information**

**Note 1. Explanation of Differences Between Budgetary Basis and GAAP Basis**

The adjustments needed to convert budgetary basis to GAAP basis are as follows:

	General Fund	Federal and State Fund	Major Maintenance Fund
<b>Revenues</b>			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 28,854,227	\$ 6,365,793	\$ 1,553,591
<b>Differences - Budgetary Basis to GAAP</b>			
Accrual of intergovernmental revenue	3,456	561,514	-
Accrual of property taxes receivable	73,436	-	-
Unearned revenue	(2,899,406)	-	-
Refundable advance	-	(259,040)	-
Interest accrual	-	17	-
<b>Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds</b>	<b>\$ 26,031,713</b>	<b>\$ 6,668,284</b>	<b>\$ 1,553,591</b>
<b>Expenditures</b>			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 27,439,319	\$ 7,151,256	\$ 1,439,679
<b>Differences - Budgetary Basis to GAAP</b>			
Accrual of accounts payable	170	9,402	114,990
Accrued wages payable	62,145	(71,892)	-
Change in State Library Cash	8,507	-	-
Inventory adjustment	(17,794)	-	-
Accrual of prepaid items	(45,181)	-	-
<b>Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds</b>	<b>\$ 27,447,166</b>	<b>\$ 7,088,766</b>	<b>\$ 1,554,669</b>

**Notes to Required Supplementary Information**

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**Note 2. Basis of Budgeting**

Annual budgets are adopted on the cash basis for all governmental funds. Legal spending control for the District monies is at the function level. The District may amend the budget after it is appropriated using the same procedures necessary to approve the original budget at the functional level. Management monitors expenditures at budgetary line item levels within each fund to enhance the accounting control system and may amend the budget at this level as long as the functional budget is maintained. During the year ended June 30, 2023, the District amended the budget to increase the general fund general support budget from \$7,248,135 to \$8,300,000.

**Note 3. Explanation of Changes to Pension Plan**

**Changes of Assumptions** – In general, the new assumptions reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as lower long-term investment return. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2022 measurement date. See the table below:

Measurement Date (Plan Year End)	2022	2021	2020	2019	2018	2017	2016
Discount rate	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%
Investment rate of return	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%
Real return net of inflation	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%	3.25%	3.25%
Salary increases	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%
Payroll growth rate	2.50%	2.50%	2.50%	2.50%	2.50%	4.25%	4.25%

**Changes in Benefits** – There were no changes in benefit terms between the initial measurement date reflected and the December 31, 2022 measurement date.



**OTHER  
SUPPLEMENTARY  
INFORMATION**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

	Debt Service Fund	Student Activities Fund	Scholarship Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 754,566	\$ 28,563	\$ 783,129
Investments	-	22,861	44,124	66,985
Cash held by fiscal agent	81,315	-	-	81,315
Property taxes receivable	175	-	-	175
Accounts receivable	-	20,603	-	20,603
Due from fiduciary fund	-	30,297	-	30,297
Total assets	<u>\$ 81,490</u>	<u>\$ 828,327</u>	<u>\$ 72,687</u>	<u>\$ 982,504</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 4,743	\$ 1,400	\$ 6,143
Total liabilities	<u>-</u>	<u>4,743</u>	<u>1,400</u>	<u>6,143</u>
Deferred inflows of resources				
Unavailable property tax revenue	175	-	-	175
Total deferred inflows of resources	<u>175</u>	<u>-</u>	<u>-</u>	<u>175</u>
Fund balances				
Restricted				
Debt service	81,315	-	-	81,315
Scholarships	-	-	71,287	71,287
Assigned				
Student activities	-	823,584	-	823,584
Total fund balances	<u>81,315</u>	<u>823,584</u>	<u>71,287</u>	<u>976,186</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 81,490</u>	<u>\$ 828,327</u>	<u>\$ 72,687</u>	<u>\$ 982,504</u>

Fremont County School District #1

June 30, 2023

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

	Debt Service Fund	Student Activities Fund	Scholarship Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 813	\$ -	\$ -	\$ 813
Charges for services	-	671,131	3,762	674,893
Total revenues	<u>813</u>	<u>671,131</u>	<u>3,762</u>	<u>675,706</u>
Expenditures				
Support services				
Pupil services	-	500,077	-	500,077
Scholarship awards	-	-	1,750	1,750
Total expenditures	<u>-</u>	<u>500,077</u>	<u>1,750</u>	<u>501,827</u>
Excess of revenues over expenditures	<u>813</u>	<u>171,054</u>	<u>2,012</u>	<u>173,879</u>
Net change in fund balances	813	171,054	2,012	173,879
Fund balances - beginning of year	<u>80,502</u>	<u>652,530</u>	<u>69,275</u>	<u>802,307</u>
Fund balances - end of year	<u><u>\$ 81,315</u></u>	<u><u>\$ 823,584</u></u>	<u><u>\$ 71,287</u></u>	<u><u>\$ 976,186</u></u>

Fremont County School District #1

Year Ended June 30, 2023

**Schedule of Revenues, Expenditures and Changes in Fund Balance**

**Budget and Actual (Non-GAAP Basis)**

**Capital Projects Fund**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ 189,032	\$ (1,810,968)
Miscellaneous	-	-	8,675	8,675
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>197,707</u>	<u>(1,802,293)</u>
Expenditures				
Facilities, acquisitions and construction services	<u>2,000,000</u>	<u>2,000,000</u>	<u>277,318</u>	<u>1,722,682</u>
Total expenditures	<u>2,000,000</u>	<u>2,000,000</u>	<u>277,318</u>	<u>1,722,682</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(79,611)</u>	<u>(79,611)</u>
Other financing uses				
Transfers in	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Total other financing uses	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Net change in fund balance	-	-	70,389	<u>\$ 70,389</u>
Fund balance - beginning of year	<u>3,742,693</u>	<u>3,742,693</u>	<u>3,742,693</u>	
Fund balance - end of year	<u>\$ 3,742,693</u>	<u>\$ 3,742,693</u>	<u>\$ 3,813,082</u>	

June 30, 2023

**Statement of Net Position**  
**Nonmajor Proprietary Funds**

	Business-type Activities - Enterprise Funds		
	Swimming Pool Fund	Facilities Enterprise Fund	Totals
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 563	\$ 613,472	\$ 614,035
Accounts receivable	663	500	1,163
Total current assets	<u>1,226</u>	<u>613,972</u>	<u>615,198</u>
Capital assets, net of accumulated depreciation	397,791	-	397,791
Total assets	<u>399,017</u>	<u>613,972</u>	<u>1,012,989</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan items	113,144	-	113,144
Total deferred outflows of resources	<u>113,144</u>	<u>-</u>	<u>113,144</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	8,601	-	8,601
Accrued wages payable	19,163	-	19,163
Total current liabilities	<u>27,764</u>	<u>-</u>	<u>27,764</u>
Noncurrent liabilities			
Due within one year	3,538	-	3,538
Due in more than one year	14,151	-	14,151
Net pension liabilities	254,033	-	254,033
Total noncurrent liabilities	<u>271,722</u>	<u>-</u>	<u>271,722</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan items	79,456	-	79,456
Total deferred inflows of resources	<u>79,456</u>	<u>-</u>	<u>79,456</u>
<b>NET POSITION</b>			
Net investment in capital assets	397,791	-	397,791
Unrestricted	(264,572)	613,972	349,400
Total net position	<u>\$ 133,219</u>	<u>\$ 613,972</u>	<u>\$ 747,191</u>



Fremont County School District #1

Year Ended June 30, 2023

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

	Business-type Activities - Enterprise Funds		
	Swimming Pool Fund	Facilities Enterprise Fund	Totals
Operating revenues			
Charges for services	\$ 107,995	\$ 41,999	\$ 149,994
Total operating revenues	107,995	41,999	149,994
Operating expenses			
Salaries	319,515	-	319,515
Benefits	95,528	-	95,528
Contractual services	45,257	-	45,257
Supplies	59,504	-	59,504
Miscellaneous	4,718	-	4,718
Depreciation	93,688	-	93,688
Total operating expenses	618,210	-	618,210
Operating income (loss)	(510,215)	41,999	(468,216)
Nonoperating revenue			
Investment earnings	-	3,184	3,184
Total nonoperating revenue	-	3,184	3,184
Income (loss) before transfers	(510,215)	45,183	(465,032)
Transfers in	375,944	-	375,944
Total transfers	375,944	-	375,944
Change in net position	(134,271)	45,183	(89,088)
Net position - beginning of year	267,490	568,789	836,279
Net position - end of year	\$ 133,219	\$ 613,972	\$ 747,191

Fremont County School District #1

Year Ended June 30, 2023

**Statement of Cash Flows**

**Nonmajor Proprietary Funds**

	Swimming Pool Fund	Facilities Enterprise Fund	Totals
Cash flows from operating activities			
Cash received from customers	\$ 108,840	\$ 41,499	\$ 150,339
Cash paid to suppliers for goods and services	(101,040)	-	(101,040)
Cash paid to employees for services	(388,288)	-	(388,288)
Net cash and cash equivalents provided by (used in) operating activities	<u>(380,488)</u>	<u>41,499</u>	<u>(338,989)</u>
Cash flows from noncapital financing activities			
Transfers from other funds	<u>375,944</u>	<u>-</u>	<u>375,944</u>
Net cash and cash equivalents provided by noncapital financing activities	<u>375,944</u>	<u>-</u>	<u>375,944</u>
Cash flows from investing activities			
Interest received	<u>-</u>	<u>3,184</u>	<u>3,184</u>
Net cash and cash equivalents provided by investing activities	<u>-</u>	<u>3,184</u>	<u>3,184</u>
Net increase (decrease) in cash and cash equivalents	(4,544)	44,683	40,139
Cash and cash equivalents - beginning of year	<u>5,107</u>	<u>568,789</u>	<u>573,896</u>
Cash and cash equivalents - end of year	<u><u>\$ 563</u></u>	<u><u>\$ 613,472</u></u>	<u><u>\$ 614,035</u></u>
Reconciliation of operating income (loss) to net cash and cash equivalents provided by (used in) operating activities			
Operating income (loss)	\$ (510,215)	\$ 41,999	\$ (468,216)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents provided by (used in) operating activities			
Depreciation	93,688	-	93,688
Amortization of pension plan items	(95,660)	-	(95,660)
(Decrease) in accounts receivable	845	(500)	345
Increase in accounts payable	1,898	-	1,898
(Decrease) in accrued wages payable	8,439	-	8,439
(Decrease) in net pension liability	<u>120,517</u>	<u>-</u>	<u>120,517</u>
Net cash provided by (used in) operating activities	<u><u>\$ (380,488)</u></u>	<u><u>\$ 41,499</u></u>	<u><u>\$ (338,989)</u></u>



**SINGLE AUDIT SECTION**

Fremont County School District #1

Year Ended June 30, 2023

**Schedule of Expenditures of Federal Awards**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Listing Assistance Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<i>U.S. Department of Agriculture</i>			
Passed Through the State of Wyoming Department of Education			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	223WY312N1199	\$ 67,192
National School Lunch Program	10.555	223WY312N1199	338,106
National School Lunch Program - USDA Commodities	10.555	223WY312N1199	63,323
Summer Food Service Program for Children	10.559	223WY312N1199	41,287
Fresh Fruit and Vegetable Program	10.582	223WY379L1603	34,166
Total Child Nutrition Cluster			544,074
Child Nutrition Discretionary Grants Limited Availability	10.579	Unknown	10,470
Total U.S. Department of Agriculture			554,544
 <i>U.S. Department of Education</i>			
Passed Through the State of Wyoming Department of Education			
Title I Grants to Local Educational Agencies	84.010A	2207011003SUBR2100	44,983
Title I Grants to Local Educational Agencies	84.010A	220701T1SUBR2100	236,833
Title I Grants to Local Educational Agencies	84.010A	2307011003SUBR2200	600
Title I Grants to Local Educational Agencies	84.010A	230701T1SUBR2200	600,580
Title I Grants to Local Educational Agencies	84.010A	200701T1NDSP21900	12
Title I Grants to Local Educational Agencies	84.010A	2107011003SUBR2000	19,009
Title I Grants to Local Educational Agencies	84.010A	210701T1SUBR2000	5
Title I Grants to Local Educational Agencies	84.010A	210701T1NDSP22000	9
Total Title I Grants to Local Educational Agencies			902,031
 <i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States	84.027A	220701SPEDSUBR2100	227,205
Special Education Grants to States	84.027A	230701SPEDSUBR2200	382,019
Special Education Preschool Grants	84.173A	220701PSCHSUBR2100	3,689
Total Special Education Cluster (IDEA)			612,913
Career and Technical Education - Basic Grants to States	84.048A	230701PERKSUBS2200	44,549
Total Career and Technical Education - Basic Grants to States			44,549
 Direct			
Indian Education Grants to Local Educational Agencies	84.060A	-	101,950
Total Indian Education Grants to Local Educational Agencies			101,950

(Continued)

Fremont County School District #1

Year Ended June 30, 2023

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Listing Assistance Number	Pass Through Entity Identifying Number	Total Federal Expenditures
<i>U.S. Department of Education (Continued)</i>			
Passed Through the State of Wyoming Department of Education			
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B3	26,530
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B4	68,191
Twenty-First Century Community Learning Centers	84.287C	210701CCLCSUBR20R1	150,750
Twenty-First Century Community Learning Centers	84.287C	200701CCLCSUBR19A0	2,780
Twenty-First Century Community Learning Centers	84.287C	200701CCLCSUBR19B2	558
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B4	23,436
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B3	779
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B1	38,320
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR22B5	150,653
Total Twenty-First Century Community Learning Centers			461,997
Supporting Effective Instruction State Grants	84.367A	220701T2SUBR2100	589
Supporting Effective Instruction State Grants	84.367A	230701T2SUBR2200	187,355
Total Supporting Effective Instruction State Grants			187,944
Comprehensive Literacy Development	84.371C	217129	274,981
Total Comprehensive Literacy Development			274,981
Student Support and Academic Enrichment Program	84.424A	220701T4SUBR2100	46,168
Student Support and Academic Enrichment Program	84.424A	230701T1SUBR2200	60,165
Total Student Support and Academic Enrichment Program			106,333
Education Stabilization Fund			
COVID-19 Governor’s Emergency Education Relief (GEER) Fund	84.425C	200701GEERSUBR2000	15,272
COVID-19 Governor’s Emergency Education Relief (GEER) Fund	84.425C	210701GEEREANS2100	36,805
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	210701ESSERSUB2100	173,834
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	210701SRPASUBR2100	3,594,401
Total Education Stabilization Fund			3,820,312
Total U.S. Department of Education			6,513,010
<i>U.S. Department of Health and Human Services</i>			
Passed Through the State of Wyoming Department of Education			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	207822	444,769
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			444,769
Total U.S. Department of Health and Human Services			444,769
Total Expenditures of Federal Awards			\$ 7,512,323

See accompanying notes to the schedule of expenditures of federal awards 73

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

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards (the "Schedule") includes the federal award activity of Fremont County School District #1 under programs of the federal government for the year ended June 30, 2023. 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 Fremont County School District #1, it is not intended to and does not present the financial position, change in net assets, or cash flows of Fremont County School District #1.

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

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Food commodities are reported when distributed. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior year.

No federal financial assistance has been provided to a subrecipient.

**Note 3. Indirect Cost Rate**

Fremont County School District #1 does not use the 10% de minimis cost rate. The State of Wyoming Department of Education sets the indirect cost rate applicable to each pass-through grant each year. Rates in effect for the year ended June 30, 2023 ranged from 1.73% to 2.56%.

**Note 4. Food Donation**

Nonmonetary assistance is reported in this Schedule at the fair market value of the commodities received and disbursed. At June 30, 2023, the Schedule reported food commodities totaling \$63,323.

**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**

Honorable Superintendent and Board of Trustees  
Fremont County School District # 1  
Lander, WY

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, (*Governmental Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Fremont County School District #1, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Fremont County School District #1's basic financial statements and have issued our report thereon dated December 8, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fremont County School District #1's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont County School District #1's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



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

As part of obtaining reasonable assurance about whether Fremont County School District #1'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*.

## **Purpose of This Report**

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



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, WY  
December 8, 2023



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

**INDEPENDENT AUDITOR'S REPORT**

Honorable Superintendent and Board of Trustees  
Fremont County School District # 1  
Lander, WY

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

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

We have audited Fremont County School District #1's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Fremont County School District #1's major federal programs for the year ended June 30, 2023. Fremont County School District #1'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, Fremont County School District #1 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

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

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

We are required to be independent of the Fremont County School District #1 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 Fremont County School District #1'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 Fremont County School District #1's federal programs.



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### ***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 Fremont County School District #1'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 Fremont County School District #1'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 Fremont County School District #1'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 Fremont County School District #1'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 Fremont County School District #1'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**

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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

deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, to be significant deficiencies.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on Fremont County School District #1's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Fremont County School District #1's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Fremont County School District #1 is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. Fremont County School District #1's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, WY  
December 8, 2023

Fremont County School District #1  
 Year Ended June 30, 2023  
**Schedule of Findings and Questioned Costs**

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**Section I – Summary of Auditor’s Results**

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***Financial Statements***

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

Internal control over financial reporting:

Material weaknesses identified? No  
 Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major federal programs:

Material weaknesses identified? No  
 Significant deficiencies identified? Yes

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

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
	Education Stabilization Fund
84.425D	COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund
84.425C	COVID-19 Governor’s Emergency Education Relief (GEER) Fund
84.425U	COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
	<u>Special Education Cluster (IDEA)</u>
84.027A	Special Education Grants to States
84.173A	Special Education Preschool Grants to States

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

Auditee qualified as low-risk auditee? Yes

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**Section II - Financial Statement Findings**

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No matters were reported.

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

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**Significant Deficiencies in Internal Control Over Compliance**

**2023-001 - Procurement, Suspension and Debarment**

**Program:** Special Education Cluster (IDEA)

**Federal Assistance Listing No:** 84.027 and 84.173

**Federal Agency:** U.S. Department of Education

**Federal Award Identification Number:** None

**Year:** 2022

**Pass-through entity:** Wyoming Department of Education

**Criteria or Specific Requirement**

Suspension and Debarment – Non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred. "Covered transactions" include contracts for goods and services that are expected to equal or exceed \$25,000. When a non-federal entity enters into a covered transaction, the non-federal entity must verify that the entity or person is not suspended or debarred. This verification may be accomplished by (1) checking the System for Award Management (SAM) Exclusions maintained by the General Services Administration (GSA) and available at SAM.gov, (2) collecting a certification from the entity or person, or (3) adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300). The non-federal entity must have internal controls designed and operating to ensure compliance with the suspension and debarment requirements.

**Condition**

Internal controls over entering into a transaction with a suspended or debarred party were not followed on an applicable purchase. Fremont County School District #1's ("District") management indicated that a search on SAM was performed; however, the SAM search results were not retained to document the compliance with the requirement.

**Cause**

The District's grant personnel advised that the absence of SAM search documentation was missed during their review of the grant documentation.

**Effect or Potential Effect**

Without full compliance with the requirements for procurement, suspension and debarment, the District could be required to repay all amounts expended for these purchases.

**Questioned Costs**

None.

### **Significant Deficiencies in Internal Control Over Compliance (Continued)**

#### **Context**

The District had one transaction subject to the suspension and debarment compliance requirement. The District did not retain SAM search results to document compliance with verification that the contractor was not suspended or debarred prior to entering into the contract.

#### **Identification of a Repeat Finding**

No

#### **Recommendation**

We recommend the District review its policies and procedures to ensure compliance with suspension and debarment compliance requirement is documented. The District may consider collecting a certification from the entity or adding a clause or condition to the covered transaction with that entity. Additionally, the District may consider developing a checklist to make sure all required documentation is maintained in the grant file.

#### **Views of Responsible Officials**

Fremont Count School District #1 will modify its template contract used for these types of transactions to include a certification of compliance related to suspension and debarment from the person or entity, so that each contract entered into in the future will be compliant. See Corrective Action Plan

#### **2023-002 - Reporting**

**Program:** Education Stabilization Fund (ESF)

**Federal Assistance Listing No:** 84.425C, 84.25D, and 84.25U

**Federal Agency:** U.S. Department of Education

**Federal Award Identification Number:** None

**Year:** 2022

**Pass-through entity:** Wyoming Department of Education

#### **Criteria or Specific Requirement**

Education Stabilization Fund requires that grantees must submit an annual performance report (OMB No. 1810-0749 for ESSER; 1810-0748 for GEER; and 1810-0765 for EANS) with data on expenditures, planned expenditures, sub recipients, and uses of funds, including mandatory reservations. LEAs submit data to the SEA/Governor for the SEA's/Governor report. Reporting compliance requirements state that required reports for federal awards should be supported by applicable accounting or performance records.

#### **Condition**

Internal controls over retention of documentation supporting data on ESSER and GEER reports submitted to Wyoming Department of Education were not followed.

#### **Cause**

Education Stabilization Fund is a new grant. The District's management and grant personnel prepared the report in collaboration with several individuals to assure understanding of the information required and accuracy of the information. After preparation and submission of the reports, supporting documentation was inadvertently not retained.

Fremont County School District #1  
Year Ended June 30, 2023  
**Schedule of Findings and Questioned Costs (Continued)**

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**Effect or Potential Effect**

Documentation to support data and other information submitted in ESSER and GEER reports to Wyoming Department of Education had to be recreated.

**Questioned Costs**

None

**Context**

The District did not retain supporting documentation included in the annual ESSER and GEER reports submitted to Wyoming Department of Education.

**Identification of a Repeat Finding**

No

**Recommendation**

We recommend the District review its policies and procedures regarding submission of reports to granting agencies to assure the documentation supporting the data reported is retained.

**Views of Responsible Officials**

In the future, no matter how many different individuals are collecting data for reporting, all supporting documentation will be retained by Business Office personnel and kept in the audit file. See Corrective Action Plan



**FREMONT COUNTY  
School District 1**

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***Summary Schedule of Prior Year Audit Findings***

None





# FREMONT COUNTY School District 1

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## ***Corrective Action Plan***

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

#### **Finding 2023-001 – Procurement and Debarment**

##### ***Name of Contact Person***

Travis Sweeney, SFO  
Business Manager

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

Fremont Count School District #1 will modify its template contract used for these types of transactions to include a certification of compliance related to suspension and debarment from the person or entity, so that each contract entered into in the future will be compliant.

##### **Proposed Completion Date**

Fiscal year ended June 30, 2024

#### **Finding 2023-002 – Reporting**

##### ***Name of Contact Person***

Travis Sweeney, SFO  
Business Manager

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

In the future, no matter how many different individuals are collecting data for reporting, all supporting documentation will be retained by Business Office personnel and kept in the audit file.

##### **Proposed Completion Date**

Fiscal year ended June 30, 2024