

FREMONT COUNTY
SCHOOL DISTRICT #1

Financial and Compliance Report

June 30, 2024





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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, as of and for the year ended June 30, 2024, 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 unit, each major fund, and the aggregate remaining fund information of the Fremont County School District #1, as of June 30, 2024, 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 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 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 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 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 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 6, 2024 on our consideration of 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 6, 2024

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

As management of the Fremont County School District #1 (District), 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, 2024. 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 \$51,828,144 at June 30, 2024, which compares to \$49,825,679 as of June 30, 2023.
- The District's revenue generated in taxes and other revenues was \$37,004,881. This is a decrease of \$616,435 from FY23. 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 FY24 were \$35,002,416. Total expenses for FY23 were \$38,584,186. This represents a decrease of \$3,581,770.
- 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 \$19,088,672 and \$24,168,514 as of June 30, 2024 and 2023, 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)**

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)**

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.

**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, 2024:

Condensed Statement of Net Position

	2022-2023 Governmental Activities	2022-2023 Business-type Activities	2022-2023 Total School District	2023-2024 Governmental Activities	2023-2024 Business-type Activities	2023-2024 Total School District
Current assets	\$ 26,496,132	\$ 2,063,060	\$ 28,559,192	\$ 25,585,447	\$ 2,099,754	\$ 27,685,201
Capital assets, net of accumulated depreciation	53,271,567	447,251	53,718,818	54,653,928	364,099	55,018,027
Total assets	79,767,699	2,510,311	82,278,010	80,239,375	2,463,853	82,703,228
Deferred outflows of resources	10,417,357	347,101	10,764,458	1,397,518	33,779	1,431,297
Current liabilities	5,380,441	57,524	5,437,965	4,931,806	60,915	4,992,721
Noncurrent liabilities	23,793,298	801,532	24,594,830	19,146,481	472,147	19,618,628
Total liabilities	29,173,739	859,056	30,032,795	24,078,287	533,062	24,611,349
Deferred inflows of resources	12,940,242	243,752	13,183,994	7,654,896	40,136	7,695,032
Net position						
Net investment in capital assets	53,258,084	447,251	53,705,335	54,404,835	364,099	54,768,934
Restricted	7,863,128	-	7,863,128	6,779,748	-	6,779,748
Unrestricted (deficit)	(13,050,137)	1,307,353	(11,742,784)	(11,280,873)	1,560,335	(9,720,538)
Total net position	\$ 48,071,075	\$ 1,754,604	\$ 49,825,679	\$ 49,903,710	\$ 1,924,434	\$ 51,828,144

The net investment in capital assets is \$54,768,934, 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: \$82,459 is restricted by debt service; \$2,916,038 is restricted by state statute for depreciation, buildings, and maintenance; \$19,592 is restricted for grants; \$3,687,720 is restricted by state statute for major maintenance, and \$73,939 is restricted for scholarships. The deficit balance of \$9,720,538 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 increased by \$2,002,465 during the year ended June 30, 2024.

June 30, 2024

**Management's Discussion and Analysis
(Unaudited)****Changes in the District's Net Position**

	2022-2023 Governmental Activities	2022-2023 Business-type Activities	2022-2023 Total School District	2023-2024 Governmental Activities	2023-2024 Business-type Activities	2023-2024 Total School District
Revenues						
Program revenues						
Charges for services	\$ 670,471	\$ 487,565	\$ 1,158,036	\$ 562,754	\$ 464,853	\$ 1,027,607
Operating grants and contributions	6,367,814	554,544	6,922,358	4,788,014	511,636	5,299,650
Capital grants and contributions	2,693,932	-	2,693,932	2,216,854	-	2,216,854
General revenues						
Taxes	6,635,090	-	6,635,090	8,686,423	-	8,686,423
Taxes - other	-	-	-	1,463,552	-	1,463,552
Governmental aid	20,099,491	-	20,099,491	18,017,430	-	18,017,430
Miscellaneous	109,184	3,225	112,409	289,520	3,845	293,365
Transfers	(601,806)	601,806	-	(646,604)	646,604	-
Total revenues	35,974,176	1,647,140	37,621,316	35,377,943	1,626,938	37,004,881
Expenses						
Regular instruction	(10,106,141)	-	(10,106,141)	(9,577,421)	-	(9,577,421)
Special instruction	(11,081,779)	-	(11,081,779)	(8,903,259)	-	(8,903,259)
Career and technical education	(507,312)	-	(507,312)	(518,436)	-	(518,436)
Pupil services	(2,835,393)	-	(2,835,393)	(2,931,549)	-	(2,931,549)
Instructional staff services	(1,355,494)	-	(1,355,494)	(1,178,482)	-	(1,178,482)
General admin services	(717,125)	-	(717,125)	(247,659)	-	(247,659)
School admin services	(1,289,513)	-	(1,289,513)	(1,241,488)	-	(1,241,488)
Business services	(679,159)	-	(679,159)	(606,810)	-	(606,810)
O & M of plant services	(6,104,125)	-	(6,104,125)	(5,910,278)	-	(5,910,278)
Pupil transportation	(1,668,418)	-	(1,668,418)	(1,616,122)	-	(1,616,122)
Central services	(401,401)	-	(401,401)	(745,514)	-	(745,514)
Other support services	-	-	-	(68,290)	-	(68,290)
Enterprise funds	-	(1,838,326)	(1,838,326)	-	(1,457,108)	(1,457,108)
Total expenses	(36,745,860)	(1,838,326)	(38,584,186)	(33,545,308)	(1,457,108)	(35,002,416)
Change in net position	(771,684)	(191,186)	(962,870)	1,832,635	169,830	2,002,465
Net position - beginning of year	48,842,759	1,945,790	50,788,549	48,071,075	1,754,604	49,825,679
Net position - end of year	\$ 48,071,075	\$ 1,754,604	\$ 49,825,679	\$ 49,903,710	\$ 1,924,434	\$ 51,828,144

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

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 increased from \$26,031,713 in FY23 to \$28,420,814 in FY24. Overall change in the other governmental funds' revenues was insignificant, except for the decrease in Federal and State Grants fund revenue which changed from \$6,668,284 to \$4,846,648.

Expenditures

The total expenditures of the General Fund on a modified accrual basis of accounting were \$27,447,166 in FY23 compared to \$28,296,615 for FY24. The total expenditures for the same years on a budgetary (cash) basis were \$27,439,319 for FY23 and \$28,326,324 for FY24. 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 FY24.

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, 2024, the District amended the budget to increase the General Fund Support Services to \$8,900,000.

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

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 2024 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 District’s 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, 2024 and June 30, 2023 amounts to \$54,653,928 and \$53,271,567 (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)

	2023-2024	2022-2023
Net of depreciation and amortization		
Land	\$ 28,685	\$ 28,685
Work of art	60,000	60,000
Construction in progress	1,813,773	1,753,140
Buildings and improvements	50,286,077	49,701,780
Equipment and contents	604,654	694,297
Vehicles	1,778,056	1,023,265
Right-to-use leased equipment	82,683	10,400
Total	<u>\$ 54,653,928</u>	<u>\$ 53,271,567</u>

District’s Capital Assets (Business-type Activities)

	2023-2024	2022-2023
Net of depreciation		
Buildings and improvements	\$ 312,552	\$ 383,412
Equipment and contents	51,547	63,839
Total	<u>\$ 364,099</u>	<u>\$ 447,251</u>

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

Long-Term Debt

There was a net increase of \$23,146 in the long-term debt for FY24 for the governmental activities excluding pension liability. The majority of this increase is additional vacation hours and a new copier lease. The District offered an Early Retirement Incentive, both in FY18 and in FY19 to employees who met the incentive requirements. As of June 30, 2024, the District paid off the 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**

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Statement of Net Position

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Recreation Board
ASSETS				
Current assets				
Cash and cash equivalents	\$ 14,211,419	\$ 1,477,250	\$ 15,688,669	\$ 460,821
Investments	1,114,819	-	1,114,819	-
Cash held by fiscal agent	401,623	-	401,623	9,667
Property taxes receivable	7,188,916	-	7,188,916	231,662
Accounts receivable	28,028	27,847	55,875	-
Due from other governments	1,911,628	2,132	1,913,760	-
Due from fiduciary fund	30,298	-	30,298	-
Prepaid items	559,027	1,675	560,702	-
Inventory	139,689	25,229	164,918	-
Land held for sale	-	565,621	565,621	-
Capital assets, not being depreciated	1,902,458	-	1,902,458	-
Capital assets, net of accumulated depreciation	52,751,470	364,099	53,115,569	-
Total assets	<u>80,239,375</u>	<u>2,463,853</u>	<u>82,703,228</u>	<u>702,150</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan items	1,397,518	33,779	1,431,297	-
Total deferred outflows of resources	<u>1,397,518</u>	<u>33,779</u>	<u>1,431,297</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	329,841	20,971	350,812	4,076
Accrued wages payable	1,538,887	20,798	1,559,685	-
Retainage payable	147,034	-	147,034	-
Unearned revenue	2,656,040	17,344	2,673,384	90,330
Advance payment on grants	214,649	-	214,649	-
Noncurrent liabilities				
Due in one year				
Leases, compensated absences	45,355	1,802	47,157	-
Due in more than one year				
Leases, compensated absences	508,302	21,654	529,956	-
Net pension liability	18,638,179	450,493	19,088,672	-
Total liabilities	<u>24,078,287</u>	<u>533,062</u>	<u>24,611,349</u>	<u>94,406</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property tax revenue	5,994,375	-	5,994,375	192,495
Pension plan items	1,660,521	40,136	1,700,657	-
Total deferred inflows of resources	<u>7,654,896</u>	<u>40,136</u>	<u>7,695,032</u>	<u>192,495</u>
NET POSITION				
Net investment in capital assets	54,404,835	364,099	54,768,934	-
Restricted for				
Debt service	82,459	-	82,459	-
Depreciation, buildings, and maintenance - W.S. 21-13-504	2,916,038	-	2,916,038	-
Grants	19,592	-	19,592	-
Major maintenance - W.S. 21-15-109	3,687,720	-	3,687,720	-
Scholarships	73,939	-	73,939	-
Unrestricted (deficit)	(11,280,873)	1,560,335	(9,720,538)	415,249
Total net position	<u>\$ 49,903,710</u>	<u>\$ 1,924,434</u>	<u>\$ 51,828,144</u>	<u>\$ 415,249</u>

Fremont County School District #1

Year Ended June 30, 2024

Statement of Activities

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular	\$ 9,577,421	\$ -	\$ 383,111	\$ -
Special	8,903,259	-	4,072,091	-
Career and technical education	518,436	-	39,498	-
Support services				
Pupil services	2,931,549	562,754	-	-
Instructional staff services	1,178,482	-	-	-
General administration services	247,659	-	42,221	-
School administration services	1,241,488	-	-	-
Business services	606,810	-	-	-
Operation and maintenance of plant services	5,910,278	-	251,093	2,216,854
Pupil transportation services	1,616,122	-	-	-
Central services	745,514	-	-	-
Other support services	68,290	-	-	-
Total governmental activities	<u>33,545,308</u>	<u>562,754</u>	<u>4,788,014</u>	<u>2,216,854</u>
Business-type activities				
TIGER Joint Powers Board	885	-	-	-
Food Service Fund	956,054	309,691	511,636	-
Swimming Pool Fund	500,169	113,162	-	-
Facilities Enterprise Fund	-	42,000	-	-
Total business-type activities	<u>1,457,108</u>	<u>464,853</u>	<u>511,636</u>	<u>-</u>
Total primary government	<u>\$ 35,002,416</u>	<u>\$ 1,027,607</u>	<u>\$ 5,299,650</u>	<u>\$ 2,216,854</u>
Component Unit				
Recreation Board	\$ 269,985	\$ -	\$ -	\$ -
Total component unit	<u>\$ 269,985</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues and transfers
 General revenues
 Taxes
 Property taxes, levied for general purposes
 Property taxes, levied for specific purpose
 Taxes - other
 Federal, State and Local aid not restricted to specific purposes
 State Foundation Program
 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
\$ (9,194,310)	\$ -	\$ (9,194,310)	\$ -
(4,831,168)	-	(4,831,168)	-
(478,938)	-	(478,938)	-
(2,368,795)	-	(2,368,795)	-
(1,178,482)	-	(1,178,482)	-
(205,438)	-	(205,438)	-
(1,241,488)	-	(1,241,488)	-
(606,810)	-	(606,810)	-
(3,442,331)	-	(3,442,331)	-
(1,616,122)	-	(1,616,122)	-
(745,514)	-	(745,514)	-
(68,290)	-	(68,290)	-
<u>(25,977,686)</u>	<u>-</u>	<u>(25,977,686)</u>	<u>-</u>
-	(885)	(885)	-
-	(134,727)	(134,727)	-
-	(387,007)	(387,007)	-
-	42,000	42,000	-
<u>-</u>	<u>(480,619)</u>	<u>(480,619)</u>	<u>-</u>
<u>(25,977,686)</u>	<u>(480,619)</u>	<u>(26,458,305)</u>	<u>-</u>
-	-	-	(269,985)
-	-	-	(269,985)
8,685,454	-	8,685,454	-
969	-	969	312,360
1,463,552	-	1,463,552	-
18,017,430	-	18,017,430	-
106,085	3,845	109,930	44
183,435	-	183,435	-
(646,604)	646,604	-	-
<u>27,810,321</u>	<u>650,449</u>	<u>28,460,770</u>	<u>312,404</u>
1,832,635	169,830	2,002,465	42,419
48,071,075	1,754,604	49,825,679	372,830
<u>\$ 49,903,710</u>	<u>\$ 1,924,434</u>	<u>\$ 51,828,144</u>	<u>\$ 415,249</u>

June 30, 2024

Balance Sheet**Governmental Funds**

	General	Federal and State Grants	Major Maintenance
ASSETS			
Cash and cash equivalents	\$ 6,290,306	\$ 214,649	\$ 3,764,493
Investments	1,045,804	-	-
Cash held by fiscal agent	319,164	-	-
Property taxes receivable	7,188,916	-	-
Accounts receivable	3,407	-	-
Due from other governments	264,957	1,646,671	-
Due from other funds	1,005,440	-	-
Due from fiduciary fund	-	-	-
Prepaid items	450,730	71,870	36,427
Inventory	139,689	-	-
Total assets	<u>\$ 16,708,413</u>	<u>\$ 1,933,190</u>	<u>\$ 3,800,920</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 112,838	\$ 56,031	\$ 113,200
Accrued wages payable	1,325,920	212,967	-
Retainage payable	-	147,034	-
Due to other funds	-	1,005,440	-
Unearned revenue	2,656,040	-	-
Advance payment on grants	-	214,649	-
Total liabilities	<u>4,094,798</u>	<u>1,636,121</u>	<u>113,200</u>
Deferred inflows of resources			
Unavailable intergovernmental revenue	175,207	572,817	-
Unavailable property tax revenue	7,072,293	-	-
Total deferred inflows of resources	<u>7,247,500</u>	<u>572,817</u>	<u>-</u>
Fund balances			
Nonspendable			
Prepaid items	450,730	71,870	36,427
Inventory	139,689	-	-
Restricted			
Debt service	-	-	-
Depreciation, buildings and maintenance W.S. 21-13-504	-	-	-
Grants	-	19,592	-
Major maintenance - W.S. 21-15-109	-	-	3,651,293
Scholarships	-	-	-
Committed	-	-	-
Assigned			
Student activities	-	-	-
Unassigned			
Total fund balances	<u>4,775,696</u>	<u>(367,210)</u>	<u>-</u>
Total fund balances	<u>5,366,115</u>	<u>(275,748)</u>	<u>3,687,720</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,708,413</u>	<u>\$ 1,933,190</u>	<u>\$ 3,800,920</u>

Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ 3,183,041	\$ 758,930	\$ 14,211,419
-	69,015	1,114,819
-	82,459	401,623
-	-	7,188,916
-	24,621	28,028
-	-	1,911,628
-	-	1,005,440
-	30,298	30,298
-	-	559,027
-	-	139,689
<u>\$ 3,183,041</u>	<u>\$ 965,323</u>	<u>\$ 26,590,887</u>
\$ 34,033	\$ 13,739	\$ 329,841
-	-	1,538,887
-	-	147,034
-	-	1,005,440
-	-	2,656,040
-	-	214,649
<u>34,033</u>	<u>13,739</u>	<u>5,891,891</u>
-	-	748,024
-	-	7,072,293
-	-	7,820,317
-	-	559,027
-	-	139,689
-	82,459	82,459
2,916,038	-	2,916,038
-	-	19,592
-	-	3,651,293
-	73,939	73,939
232,970	-	232,970
-	795,186	795,186
-	-	4,408,486
<u>3,149,008</u>	<u>951,584</u>	<u>12,878,679</u>
<u>\$ 3,183,041</u>	<u>\$ 965,323</u>	<u>\$ 26,590,887</u>

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

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

Total fund balances - governmental funds	\$	12,878,679
Capital assets, net of accumulated depreciation used in governmental activities are not financial resources and, therefore, are not reported in the funds.		54,653,928
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	\$	1,077,918
Difference in unavailable intergovernmental revenue		<u>748,024</u>
		1,825,942
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		1,397,518
Pension plan items - deferred inflows of resources		<u>(1,660,521)</u>
		(263,003)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Leases		(102,059)
Compensated absences		(451,598)
Net pension liability		<u>(18,638,179)</u>
		<u>(19,191,836)</u>
Net position of governmental activities	\$	<u><u>49,903,710</u></u>

Fremont County School District #1

Year Ended June 30, 2024

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

	General	Federal and State Grants	Major Maintenance
Revenues			
Property taxes	\$ 8,719,374	\$ -	\$ -
Taxes - other	1,463,552	-	-
Intergovernmental	18,166,224	4,872,372	1,702,610
Charges for services	-	-	-
Miscellaneous	14,226	-	-
Investment income	57,438	3,870	28,309
Total revenues	28,420,814	4,876,242	1,730,919
Expenditures			
Instruction			
Regular	9,855,255	68,001	-
Special	5,396,047	4,684,635	-
Career and technical education	470,092	45,440	-
Support services			
Pupil services	2,543,612	-	-
Instructional staff services	1,235,625	-	-
General administration services	36,211	48,572	-
School administration services	1,312,998	-	-
Business services	631,452	-	-
Operation and maintenance of plant services	3,695,481	-	1,977,688
Pupil transportation services	2,184,535	-	-
Central services	756,989	-	-
Other support services	68,290	-	-
Facilities, acquisitions and construction			
Capital outlay	99,220	-	-
Debt service			
Principal	10,644	-	-
Interest and other charges	164	-	-
Scholarship awards	-	-	-
Total expenditures	28,296,615	4,846,648	1,977,688
Excess (deficiency) of revenues over (under) expenditures	124,199	29,594	(246,769)
Other financing sources (uses)			
Transfers out	(646,604)	-	-
Proceeds from sale of capital assets	169,209	-	-
Lease proceeds	99,220	-	-
Total other financing sources (uses)	(378,175)	-	-
Net change in fund balances	(253,976)	29,594	(246,769)
Fund balances - beginning of year	5,620,091	(305,342)	3,934,489
Fund balances - end of year	\$ 5,366,115	\$ (275,748)	\$ 3,687,720

Capital Projects	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ 1,144	\$ 8,720,518
-	-	1,463,552
-	7,447	24,748,653
-	562,754	562,754
-	-	14,226
9,021	-	98,638
<u>9,021</u>	<u>571,345</u>	<u>35,608,341</u>
-	-	9,923,256
-	-	10,080,682
-	-	515,532
-	593,897	3,137,509
-	-	1,235,625
-	-	84,783
-	-	1,312,998
-	-	631,452
-	-	5,673,169
-	-	2,184,535
-	-	756,989
-	-	68,290
673,095	-	673,095
-	-	99,220
-	-	10,644
-	-	164
-	2,050	2,050
<u>673,095</u>	<u>595,947</u>	<u>36,389,993</u>
<u>(664,074)</u>	<u>(24,602)</u>	<u>(781,652)</u>
-	-	(646,604)
-	-	169,209
-	-	99,220
<u>-</u>	<u>-</u>	<u>(378,175)</u>
(664,074)	(24,602)	(1,159,827)
<u>3,813,082</u>	<u>976,186</u>	<u>14,038,506</u>
<u>\$ 3,149,008</u>	<u>\$ 951,584</u>	<u>\$ 12,878,679</u>

Fremont County School District #1

Year Ended June 30, 2024

**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 \$ (1,159,827)

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 exceeded depreciation in the current period.

Capital outlay	\$ 3,874,217	
Depreciation expense	<u>(2,491,856)</u>	1,382,361

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

Lease proceeds	(99,220)	
Principal paid on leases	<u>10,644</u>	(88,576)

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	(1,112,012)	
Difference in unavailable property tax revenue - current year	1,077,918	
Unavailable intergovernmental revenue - prior year	(466,932)	
Unavailable intergovernmental revenue - current year	<u>748,024</u>	246,998

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 - prior year	108,114	
Compensated absences - current year	(451,598)	
Compensated absences - prior year	<u>408,914</u>	65,430

(Continued)

Fremont County School District #1

Year Ended June 30, 2024

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

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	\$ 23,389,197	
Pension liability - current year	(18,638,179)	
Deferred outflows - pension items - prior year	(10,417,357)	
Deferred outflows - pension items - current year	1,397,518	
Deferred inflows - pension items - prior year	7,315,591	
Deferred inflows - pension items - current year	(1,660,521)	\$ 1,386,249
		<hr/>
Change in net position of governmental activities		\$ 1,832,635
		<hr/> <hr/>

June 30, 2024

Statement of Net Position**Proprietary Funds**

	Business-type Activities			
	TIGER Joint Powers Board	Food Service Fund	Total Nonmajor Enterprise Funds	Total Enterprise Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 409,190	\$ 407,721	\$ 660,339	\$ 1,477,250
Accounts receivable	-	19,183	8,664	27,847
Due from other government	-	2,132	-	2,132
Prepaid items	-	1,675	-	1,675
Inventory	-	25,229	-	25,229
Land held for sale	565,621	-	-	565,621
Total current assets	974,811	455,940	669,003	2,099,754
Noncurrent assets				
Capital assets, net of accumulated depreciation	-	44,319	319,780	364,099
Total assets	974,811	500,259	988,783	2,463,853
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan items	-	23,044	10,735	33,779
Total deferred outflows of resources	-	23,044	10,735	33,779
LIABILITIES				
Current liabilities				
Accounts payable	-	16,961	4,010	20,971
Accrued wages payable	-	5,127	15,671	20,798
Unearned revenue	-	17,344	-	17,344
Total current liabilities	-	39,432	19,681	59,113
Noncurrent liabilities				
Due in one year				
Leases, compensated absences	-	1,802	-	1,802
Due in more than one year				
Leases, compensated absences	-	7,658	13,996	21,654
Net pension liability	-	307,328	143,165	450,493
Total liabilities	-	316,788	157,161	473,949
DEFERRED INFLOWS OF RESOURCES				
Pension plan items	-	27,381	12,755	40,136
Total deferred inflows of resources	-	27,381	12,755	40,136
NET POSITION				
Net investment in capital assets	-	44,319	319,780	364,099
Unrestricted	974,811	95,383	490,141	1,560,335
Total net position	\$ 974,811	\$ 139,702	\$ 809,921	\$ 1,924,434

Fremont County School District #1

Year Ended June 30, 2024

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	\$ -	\$ 309,691	\$ 155,162	\$ 464,853
Total operating revenues	-	309,691	155,162	464,853
Operating expenses				
Salaries	-	314,280	315,258	629,538
Benefits	-	44,414	-	44,414
Contractual services	885	2,263	31,108	34,256
Supplies	-	51,299	75,032	126,331
Direct food costs	-	441,245	-	441,245
Cost of commodities	-	88,769	-	88,769
Miscellaneous	-	1,643	760	2,403
Depreciation	-	12,141	78,011	90,152
Total operating expenses	885	956,054	500,169	1,457,108
Operating loss	(885)	(646,363)	(345,007)	(992,255)
Nonoperating revenues				
Investment income	41	-	3,804	3,845
Federal reimbursements	-	511,636	-	511,636
Total nonoperating revenues	41	511,636	3,804	515,481
Loss before transfers	(844)	(134,727)	(341,203)	(476,774)
Transfers in	-	242,671	403,933	646,604
Total transfers	-	242,671	403,933	646,604
Change in net position	(844)	107,944	62,730	169,830
Net position - beginning of year	975,655	31,758	747,191	1,754,604
Net position - end of year	\$ 974,811	\$ 139,702	\$ 809,921	\$ 1,924,434

Fremont County School District #1

Year Ended June 30, 2024

Statement of Cash Flows

Proprietary Funds

	Business-type Activities			
	TIGER Joint Powers Board	Food Service Fund	Non-Major Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities				
Cash receipts from customers	\$ -	\$ 308,755	\$ 147,661	\$ 456,416
Cash payments to suppliers for goods and services	(885)	(521,947)	(111,491)	(634,323)
Cash payments to employees for services	-	(504,283)	(397,603)	(901,886)
Net cash and cash equivalents used in operating activities	(885)	(717,475)	(361,433)	(1,079,793)
Cash flows from noncapital financing activities				
Transfers in	-	242,671	403,933	646,604
Federal reimbursement	-	483,027	-	483,027
Net cash and cash equivalents provided by noncapital financing activities	-	725,698	403,933	1,129,631
Cash flows from capital financing activities				
Acquisition of capital assets	-	(7,000)	-	(7,000)
Net cash and cash equivalents used in capital financing activities	-	(7,000)	-	(7,000)
Cash flows from investing activities				
Investment income	41	-	3,804	3,845
Net cash and cash equivalents provided by investing activities	41	-	3,804	3,845
Net increase (decrease) in cash and cash equivalents	(844)	1,223	46,304	46,683
Cash and cash equivalents - beginning of year	410,034	406,498	614,035	1,430,567
Cash and cash equivalents - end of year	<u>\$ 409,190</u>	<u>\$ 407,721</u>	<u>\$ 660,339</u>	<u>\$ 1,477,250</u>

(Continued)

Fremont County School District #1
Year Ended June 30, 2024
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	\$ (885)	\$ (646,363)	\$ (345,007)	\$ (992,255)
Adjustments to reconcile operating loss to net cash and cash equivalents used in operating activities:				
Depreciation	-	12,141	78,011	90,152
Donated commodities	-	46,518	-	46,518
Amortization of pension plan items	-	73,998	35,708	109,706
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities				
Accounts receivable	-	(107)	(7,501)	(7,608)
Prepaid items	-	(1,675)	-	(1,675)
Inventory	-	1,363	-	1,363
Accounts payable	-	15,391	10,504	25,895
Accrued wages payable	-	(1,011)	(4,591)	(5,602)
Unearned revenue	-	846	-	846
Compensated absences	-	(620)	(17,689)	(18,309)
Net pension liability	-	(217,956)	(110,868)	(328,824)
Net cash and cash equivalents used in operating activities	<u>\$ (885)</u>	<u>\$ (717,475)</u>	<u>\$ (361,433)</u>	<u>\$ (1,079,793)</u>

Fremont County School District #1
 June 30, 2024
Statement of Fiduciary Net Position

	<u>Trust Fund</u>
	Employee Health Reimbursement Fund
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 367,780
Accounts receivable	4,094
Total assets	<u>371,874</u>
LIABILITIES	
Due to student activities fund	30,298
Accounts payable	12,103
Total liabilities	<u>42,401</u>
NET POSITION	
Held in trust for employee benefits	329,473
Total net position	<u>\$ 329,473</u>

Fremont County School District #1
 Year Ended June 30, 2024
Statement of Changes in Fiduciary Net Position

	Trust Fund
	Employee Health Reimbursement Fund
Additions	
Premiums received	\$ 117,203
Investment income	376
Total additions	<u>117,579</u>
Deductions	
Employee benefits paid	<u>132,011</u>
Total deductions	<u>132,011</u>
Change in net position	(14,432)
Net position - beginning of year	<u>343,905</u>
Net position - end of year	<u><u>\$ 329,473</u></u>

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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 in 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 nonmajor 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 Fund Balance

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. Wyoming Statutes authorize the types of investments in which the entity may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper with maturities not more than 270 days, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts and 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 of 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 and Grants Receivable

The District considers all accounts receivable to be fully collectible at June 30, 2024 and, therefore no allowance for doubtful accounts is deemed necessary. Grants receivable are normally reported as due from other governments.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Fund Balance (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 and the statement of net position, 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 25th 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 2024 and 2025 production received by June 30, 2024 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, 2024 was thirty-two and one-half mills.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position or Fund Balance (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.

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.

Capital assets 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 Fund Balance (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 Fund Balance (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 Fund Balance (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 Fund Balance (Continued)

Implementation of GASB Statement No. 100

GASB Statement No. 100, *Accounting Changes and Error Corrections*, prescribes accounting and financial reporting for (1) each category of accounting change and (2) error corrections. Statement No. 100 also addresses how accounting changes and error corrections should be displayed in financial statements, disclosed in notes, and presented in required supplementary information and supplementary information. The District implemented this standard during the year ended June 30, 2024. There was no impact of the implementation of this standard.

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.
- 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, 2024, the District had bank deposits of \$16,567,793, including the fiduciary funds, all of which were fully insured or collateralized as required by State statutes.

At June 30, 2024 the carrying amount of the District’s deposits included \$29,013 in cash equivalents held by investment brokers and not required to be collateralized.

	Carrying Amount
Government-Wide Statement of Net Position	
Governmental activities	\$ 14,211,419
Business-type activities	1,477,250
Total primary government	<u>15,688,669</u>
Fiduciary Funds Statements of Net Position	
Private-purpose trust fund	\$ 367,780
Total fiduciary funds	<u>\$ 367,780</u>

At June 30, 2024, the carrying amount was \$460,821 and the bank balance of the Lander District Recreation Board’s bank deposits was \$483,123. As of June 30, 2024, all deposits and investments of the Lander District Recreation Board held by financial institutions were insured or collateralized as required by statute. The difference between the carrying amount and the bank balance is the result of transactions in transit and cash equivalents without a bank balance.

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

As of June 30, 2024, 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	
Primary Government							
U.S. government agencies	\$ 834,083	.4%-4.5%	\$ 195,164	\$ 638,919	\$ -	\$ -	Aaa
Short-term bond fund	92,942	N/A	92,942	-	-	-	Aaa
U.S. Treasury securities	99,207	2.37%	-	99,207	-	-	Aaa
Negotiable certificate of deposit	19,572	0.50%	19,572	-	-	-	Not rated
Taxable municipal bonds	9,354	5.00%	-	-	-	9,354	Aa3
Corporate bonds	8,041	5.91%	-	-	8,041	-	Not rated
Mutual funds	27,531	5.92%	27,531	-	-	-	Not rated
WGIF	24,089	5.19%	24,089	-	-	-	AAAm
Total governmental activities	<u>\$ 1,114,819</u>		<u>\$ 359,298</u>	<u>\$ 738,126</u>	<u>\$ 8,041</u>	<u>\$ 9,354</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 rating 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 to address 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, 2024, 75% of the District's investments were in U.S. Government Agencies obligations, 9% in U.S. Treasury Securities, and 8% in short-term bond fund. This information presented 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. The District's investments are held in external investment pools with a focus on liquidity as a means of limiting its exposure to fair value losses arising from interest rates. 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(R)) of 60 days. 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.

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 assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Following is a description of the valuation methodologies used for investments measured at fair value. There have been no changes in methodologies used at June 30, 2024.

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 daily closing price as reported by the fund. Mutual funds are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. Mutual funds held by the District are deemed to be actively traded.

	Assets at Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Primary Government				
U.S. government agencies	\$ -	\$ 834,083	\$ -	\$ 834,083
Short-term bond fund	92,942	-	-	92,942
U.S. Treasury securities	99,207	-	-	99,207
Negotiable certificates of deposit	-	19,572	-	19,572
Taxable municipal bonds	9,354	-	-	9,354
Corporate bonds	8,041	-	-	8,041
Mutual funds	27,531	-	-	27,531
Total investments at fair value	<u>\$ 237,075</u>	<u>\$ 853,655</u>	<u>\$ -</u>	<u>\$ 1,090,730</u>
Other investments reported in the following classification				
WGIF investment pool				24,089
Total primary government investments				<u>\$ 1,114,819</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	\$ 1,005,440	\$ -
Federal and State Grants Fund	-	1,005,440
	<u>\$ 1,005,440</u>	<u>\$ 1,005,440</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	\$ -	\$ 646,604
Total governmental funds	<u>-</u>	<u>646,604</u>
Business-type activities - Enterprise Funds		
Food Service Fund	242,671	-
Swimming Pool Fund	403,933	-
Total business-type activities - enterprise funds	<u>646,604</u>	<u>-</u>
	<u>\$ 646,604</u>	<u>\$ 646,604</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.

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

A summary of changes in capital assets follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 28,685	\$ -	\$ -	\$ 28,685
Work of art	60,000	-	-	60,000
Construction in progress	1,753,140	2,216,854	2,156,221	1,813,773
Total capital assets, not being depreciated	<u>1,841,825</u>	<u>2,216,854</u>	<u>2,156,221</u>	<u>1,902,458</u>
Capital assets, being depreciated				
Buildings and improvements	75,016,802	2,433,867	-	77,450,669
Equipment and contents	6,805,593	262,375	-	7,067,968
Vehicles	5,401,844	1,018,122	597,930	5,822,036
Right-to-use leased equipment	125,779	99,220	114,781	110,218
Total capital assets, being depreciated	<u>87,350,018</u>	<u>3,813,584</u>	<u>712,711</u>	<u>90,450,891</u>
Less accumulated depreciation and amortization				
Buildings and improvements	25,315,022	1,849,570	-	27,164,592
Equipment and contents	6,111,296	352,018	-	6,463,314
Vehicles	4,378,579	263,331	597,930	4,043,980
Right-to-use leased equipment	115,379	26,937	114,781	27,535
Total accumulated depreciation and amortization	<u>35,920,276</u>	<u>2,491,856</u>	<u>712,711</u>	<u>37,699,421</u>
Total capital assets, being depreciated, net	<u>51,429,742</u>	<u>1,321,728</u>	<u>-</u>	<u>52,751,470</u>
Governmental activities capital assets, net	<u>\$ 53,271,567</u>	<u>\$ 3,538,582</u>	<u>\$ 2,156,221</u>	<u>\$ 54,653,928</u>
Business-type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 1,604,371	\$ -	\$ -	\$ 1,604,371
Equipment and contents	425,226	7,000	-	432,226
	<u>2,029,597</u>	<u>7,000</u>	<u>-</u>	<u>2,036,597</u>
Less accumulated depreciation	<u>1,582,346</u>	<u>90,152</u>	<u>-</u>	<u>1,672,498</u>
Total capital assets, being depreciated	<u>447,251</u>	<u>(83,152)</u>	<u>-</u>	<u>364,099</u>
Business-type activities, net	<u>\$ 447,251</u>	<u>\$ (83,152)</u>	<u>\$ -</u>	<u>\$ 364,099</u>

Notes to Financial Statements

Note 5. Capital Assets (Continued)

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

Governmental activities			
Instruction			
Regular		\$	147,166
Special			3,553
Pupil services			14,315
Career and technical education			27,747
Support services			
Pupil transportation services			263,921
General administrative services			207,543
Operation and maintenance of plant services			1,827,611
Total depreciation and amortization expenses - governmental activities		\$	<u>2,491,856</u>
Business-type activities			
Food service fund		\$	12,141
Swimming pool fund			78,011
Total depreciation expenses - business-type activities		\$	<u>90,152</u>

Note 6. Long-Term Debt

The following is a summary of debt transactions of the District for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental activities					
Early retirement benefits	\$ 108,114	\$ -	\$ 108,114	\$ -	\$ -
Leases	13,483	99,220	10,644	102,059	21,987
Compensated absences	408,914	42,684	-	451,598	23,368
	<u>530,511</u>	<u>141,904</u>	<u>118,758</u>	<u>553,657</u>	<u>45,355</u>
Net pension liability	<u>23,389,197</u>	<u>-</u>	<u>4,751,018</u>	<u>18,638,179</u>	<u>-</u>
Total governmental activities	<u>\$ 23,919,708</u>	<u>\$ 141,904</u>	<u>\$ 4,869,776</u>	<u>\$ 19,191,836</u>	<u>\$ 45,355</u>
Business-type activities					
Compensated absences	\$ 27,770	\$ -	\$ 4,314	\$ 23,456	\$ 1,802
Net pension liability	<u>779,317</u>	<u>-</u>	<u>328,824</u>	<u>450,493</u>	<u>-</u>
Total business-type activities	<u>\$ 807,087</u>	<u>\$ -</u>	<u>\$ 333,138</u>	<u>\$ 473,949</u>	<u>\$ 1,802</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**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 1st 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 20th 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. During the year ended June 30, 2024, the remaining obligation of \$108,114 was paid off.

Note 7. Leases***Lease Payable***

As of June 30, 2024, the value of the lease liability was \$102,059. The District is required to make monthly principal and interest payments ranging from \$318 to \$1,610 and annual principal and interest payments of \$8,229. The leases have interest rates ranging from 2.72% to 4.93%. The equipment has useful lives between 3 to 4 years, based upon the length of the leases. The total value of the right-to-use assets as of the end of the current fiscal year was \$110,218 and had accumulated amortization of \$27,535.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2025	\$ 21,987	\$ 3,600	\$ 25,587
2026	23,950	3,595	27,545
2027	25,157	2,388	27,545
2028	26,519	1,119	27,638
2029	4,446	35	4,481
	\$ 102,059	\$ 10,737	\$ 112,796

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 statutorily required to contribute 9.25% of their annual covered salary and the employer is statutorily required to contribute 9.37% of the annual covered payroll for a total of 18.62%. Legislation enacted in 1979 allows the employer to subsidize all or part of the employee contribution. The 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 year ended June 30, 2024 was \$2,819,165, while the employees' portion was \$339,250.

For the year ended June 30, 2024 the District's statutorily required contributions to the PEPP pension plan was \$1,589,385. As of July 1, 2024, 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.

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, 2024, the District reported a total liability of \$19,088,672 for its proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2023, 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, 2023 is based on the results of an actuarial valuation as of January 1, 2023, rolled forward to a measurement date of December 31, 2023.

The schedule below shows the District's proportionate share of the net pension liability as of June 30, 2024, the proportionate portion at the measurement date of December 31, 2023, and the change in the proportion from the previous measurement date.

	Pension liability at June 30, 2024	Proportion at December 31, 2023	Increase (decrease) from December 31, 2022
Public Employees' Pension Plan	<u>\$ 19,088,672</u>	<u>0.840843535%</u>	<u>-0.043538293%</u>

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

The total pension liability in the December 31, 2023 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, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	24 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, 2023. 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 2023.

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%	-0.30%
Gold	1.50%	2.13%	0.70%
Fixed income	20.00%	3.38%	3.80%
Equity	51.50%	6.52%	8.20%
Marketable alternatives	16.00%	4.39%	5.23%
Private real assets	10.50%	5.97%	7.48%
Total	100.00%	5.39%	6.61%

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%, the municipal bond rate is 3.77% (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	\$ 30,313,434	\$ 19,088,672	\$ 9,786,735

Note 8. Pension Plans (Continued)

Payables to the Pension Plan

At June 30, 2024, 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 2024 was \$112,797.

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 \$2,121 and \$6,167 in claims under the Unemployment Compensation Act Program for the fiscal years ended June 30, 2024 and 2023, respectively. There were no claims payable at June 30, 2024, 2023 or 2022.

The District participates in the Wyoming Educator Benefit Trust (WEBT). WEBT sets premium rates each year based on projected medical costs. The District paid \$4,179,627 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.

Note 10. Commitments and Contingencies

As of the fiscal year ended June 30, 2024, the District had \$154,982 in outstanding construction commitments related to installation of an HVAC system at Pathfinder High School.

Note 11. Issued Standards Not Yet Implemented

As of June 30, 2024, the Governmental Accounting Standards Board (GASB) has issued the following standards, which the District may implement in the upcoming fiscal years.

GASB 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 this Statement are effective for fiscal years beginning after December 31, 2024.


GASB Statement No. 102, *Certain Risk Disclosures*, requires governments to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. A concentration, as defined by Statement 102, is a lack of diversity related to an aspect of a significant inflow or outflow of resources, for example, a small number of companies that represent a majority of employment in a government's jurisdiction, or a government that relies on one revenue source for most of its revenue. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority, such as a voter-approved property tax cap or a state-imposed debt limit. The requirements of the Statement are effective for reporting periods beginning after June 15, 2024.

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

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

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

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**REQUIRED
SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

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Fremont County School District #1

Year Ended June 30, 2024

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	\$ 8,822,305	\$ 8,822,305	\$ 8,461,397	\$ (360,908)
Intergovernmental	19,850,303	19,850,303	19,666,548	(183,755)
Miscellaneous	25,000	25,000	203,753	178,753
Total revenues	<u>28,697,608</u>	<u>28,697,608</u>	<u>28,331,698</u>	<u>(365,910)</u>
Expenditures				
Instruction	17,037,601	17,037,601	16,950,636	86,965
Instructional support	2,666,527	2,666,527	2,570,650	95,877
General support	8,137,547	8,900,000	8,805,038	94,962
Total expenditures	<u>27,841,675</u>	<u>28,604,128</u>	<u>28,326,324</u>	<u>277,804</u>
Excess of revenues over expenditures	<u>855,933</u>	<u>93,480</u>	<u>5,374</u>	<u>(88,106)</u>
Other financing sources (uses)				
Transfers out	<u>(1,196,552)</u>	<u>(1,196,552)</u>	<u>(646,604)</u>	<u>549,948</u>
Total other financing sources (uses)	<u>(1,196,552)</u>	<u>(1,196,552)</u>	<u>(646,604)</u>	<u>549,948</u>
Net change in fund balance	(340,619)	(1,103,072)	(641,230)	<u>\$ 461,842</u>
Fund balance - beginning of year	<u>7,858,360</u>	<u>7,858,360</u>	<u>7,858,360</u>	
Fund balance - end of year	<u>\$ 7,517,741</u>	<u>\$ 6,755,288</u>	<u>\$ 7,217,130</u>	

Fremont County School District #1

Year Ended June 30, 2024

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	\$ 6,053,196	\$ 53,196
Miscellaneous	-	-	3,886	3,886
Total revenues	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,057,082</u>	<u>57,082</u>
Expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>4,794,899</u>	<u>1,205,101</u>
Total expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>4,794,899</u>	<u>1,205,101</u>
Excess of revenues over expenditures	-	-	1,262,183	<u>\$ 1,262,183</u>
Fund balance (deficit) - beginning of year	<u>(2,180,517)</u>	<u>(2,180,517)</u>	<u>(2,180,517)</u>	
Fund balance (deficit) - end of year	<u>\$ (2,180,517)</u>	<u>\$ (2,180,517)</u>	<u>\$ (918,334)</u>	

Fremont County School District #1

Year Ended June 30, 2024

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	\$ 1,728,451	\$ 1,728,451	\$ 1,702,610	\$ (25,841)
Miscellaneous	25,000	25,000	28,309	3,309
Total revenues	<u>1,753,451</u>	<u>1,753,451</u>	<u>1,730,919</u>	<u>(22,532)</u>
Expenditures				
Facilities, acquisitions and construction services	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,022,393</u>	<u>977,607</u>
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,022,393</u>	<u>977,607</u>
Deficiency of revenues over expenditures	(1,246,549)	(1,246,549)	(291,474)	<u>\$ 955,075</u>
Fund balance - beginning of year	4,055,967	4,055,967	4,055,967	
Fund balance - end of year	<u>\$ 2,809,418</u>	<u>\$ 2,809,418</u>	<u>\$ 3,764,493</u>	

Fremont County School District #1

Last 10 fiscal years *

Schedule of Changes in Net Pension Liability and Related Ratios

(Unaudited)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Public Employees Pension Plan				
District's proportion of the net pension liability	0.8408435%	0.8843818%	0.9027827%	0.8878506%
District's proportionate share of the net pension liability	\$ 19,088,672	\$ 24,168,514	\$ 13,764,923	\$ 19,296,189
District's covered payroll	\$ 15,793,711	\$ 15,967,802	\$ 16,429,995	\$ 15,807,890
District's proportionate share of the net pension liability as a percentage of its covered payroll	120.86%	151.36%	83.78%	122.07%
Plan fiduciary net position as a percentage of the total pension liability	80.19%	75.47%	86.03%	79.24%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
0.8979972%	0.8979808%	0.8903579%	0.8719750%	0.8595963%	0.8428688%
\$ 21,102,272	\$ 27,346,129	\$ 20,294,289	\$ 21,079,998	\$ 20,022,989	\$ 14,874,041
\$ 15,609,102	\$ 15,637,030	\$ 15,816,118	\$ 15,546,488	\$ 14,991,995	\$ 14,408,105
135.19%	174.88%	128.31%	133.59%	133.56%	103.23%
76.83%	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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Public Employees Pension Plan				
Statutorily required contribution	\$ 1,589,385	\$ 1,608,613	\$ 1,520,830	\$ 1,517,393
Contributions in relations to the statutorily required contributions	<u>(1,589,385)</u>	<u>(1,608,613)</u>	<u>(1,520,830)</u>	<u>(1,517,393)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 16,962,487	\$ 17,167,695	\$ 16,230,843	\$ 16,638,081
Contributions as a percentage of covered payroll	9.37%	9.37%	9.37%	9.12%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,435,934	\$ 1,360,063	\$ 1,299,124	\$ 1,271,519	\$ 1,341,423	\$ 1,219,648
<u>(1,435,934)</u>	<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>
\$ 16,188,658	\$ 15,777,993	\$ 15,521,195	\$ 15,191,386	\$ 16,026,559	\$ 16,005,879
8.87%	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
Revenues			
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual	\$ 28,331,698	\$ 6,057,082	\$ 1,730,919
Differences - Budgetary Basis to GAAP			
Accrual of intergovernmental revenue	2,047	(1,225,214)	-
Accrual of accounts receivable	39	(17)	-
Accrual of property taxes receivable	258,424	-	-
Proceeds from sale of capital assets	(168,989)	-	-
Refundable advance	-	44,391	-
Investment income	(2,405)	-	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 28,420,814</u>	<u>\$ 4,876,242</u>	<u>\$ 1,730,919</u>
Expenditures			
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget to Actual	\$ 28,326,324	\$ 4,794,899	\$ 2,022,393
Differences - Budgetary Basis to GAAP			
Accrual of accounts payable	65,484	39,383	(8,278)
Accrued wages payable	(49,744)	9,208	-
Accrual of retainage payable	-	75,028	-
Change in State Library Cash	9,065	-	-
Inventory adjustment	(6,265)	-	-
Accrual of prepaid items	(147,469)	(71,870)	(36,427)
Capital outlay - leases	99,220	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	<u>\$ 28,296,615</u>	<u>\$ 4,846,648</u>	<u>\$ 1,977,688</u>

Notes to Required Supplementary Information**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, 2024, the District amended the budget to increase the general fund general support budget from \$8,137,547 to \$8,900,000.

Note 3. Explanation of Changes to Pension Plan

Changes of Assumptions – The assumptions used in the actuarial valuation were adopted at the November 17, 2021 and the February 17, 2022 meetings and were first utilized with the actuarial valuation report for the year beginning January 1, 2021. In general, the new assumptions reflect an update to the mortality tables, adjustments to the demographic and salary scale, as well as a lower long-term investment return. The expected rate of return on assets for all plans, except the Fire A pension plan, was decreased from 7.00% to 6.80%. With the decision to reinvest the assets of the Fire A pension plan in the commingled investment pool of the defined benefit plans as of April 1, 2022, the expected rate of return on assets was increased from 1.00% to 6.80%. There have been no actuarial assumption changes or methods since the prior valuation for all plans. See the table below:

Measurement Date (Plan Year End)	2023	2022	2021	2020	2019	2018	2017	2016
Discount rate	6.80%	6.80%	6.80%	7.00%	7.00%	7.00%	7.00%	7.75%
Investment rate of return	6.80%	6.80%	6.80%	7.00%	7.00%	7.00%	7.75%	7.75%
Real return net of inflation	4.55%	4.55%	4.55%	4.75%	4.75%	3.52%	4.75%	4.50%
Inflation	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%	3.25%	3.25%
Salary increases	2.50% -	2.50% -	2.50% -	2.50% -	2.50% -	4.75% -	4.25% -	4.25% -
	6.50%	6.50%	6.50%	6.50%	6.50%	8.75%	6.00%	6.00%
Payroll growth rate	2.50%	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, 2023 measurement date.

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**OTHER
SUPPLEMENTARY
INFORMATION**

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Fremont County School District #1

June 30, 2024

Combining Balance Sheet

Nonmajor Governmental Funds

	Debt Service Fund	Student Activities Fund	Scholarship Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 729,917	\$ 29,013	\$ 758,930
Investments	-	24,089	44,926	69,015
Cash held by fiscal agent	82,459	-	-	82,459
Accounts receivable	-	24,621	-	24,621
Due from fiduciary fund	-	30,298	-	30,298
Total assets	<u>\$ 82,459</u>	<u>\$ 808,925</u>	<u>\$ 73,939</u>	<u>\$ 965,323</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 13,739	\$ -	\$ 13,739
Total liabilities	<u>-</u>	<u>13,739</u>	<u>-</u>	<u>13,739</u>
Fund balances				
Restricted				
Debt service	82,459	-	-	82,459
Scholarships	-	-	73,939	73,939
Assigned				
Student activities	-	795,186	-	795,186
Total fund balances	<u>82,459</u>	<u>795,186</u>	<u>73,939</u>	<u>951,584</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 82,459</u>	<u>\$ 808,925</u>	<u>\$ 73,939</u>	<u>\$ 965,323</u>

Fremont County School District #1

June 30, 2024

**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	\$ 1,144	\$ -	\$ -	\$ 1,144
Investment income	-	2,745	4,702	7,447
Charges for services	-	562,754	-	562,754
Total revenues	<u>1,144</u>	<u>565,499</u>	<u>4,702</u>	<u>571,345</u>
Expenditures				
Support services				
Pupil services	-	593,897	-	593,897
Scholarship awards	-	-	2,050	2,050
Total expenditures	<u>-</u>	<u>593,897</u>	<u>2,050</u>	<u>595,947</u>
Excess (deficiency) of revenues over expenditures	<u>1,144</u>	<u>(28,398)</u>	<u>2,652</u>	<u>(24,602)</u>
Net change in fund balances	1,144	(28,398)	2,652	(24,602)
Fund balances - beginning of year	<u>81,315</u>	<u>823,584</u>	<u>71,287</u>	<u>976,186</u>
Fund balances - end of year	<u><u>\$ 82,459</u></u>	<u><u>\$ 795,186</u></u>	<u><u>\$ 73,939</u></u>	<u><u>\$ 951,584</u></u>

Fremont County School District #1

Year Ended June 30, 2024

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	\$ 4,000,000	\$ 4,000,000	\$ -	\$ (4,000,000)
Miscellaneous	-	-	9,021	9,021
Total revenues	<u>4,000,000</u>	<u>4,000,000</u>	<u>9,021</u>	<u>(3,990,979)</u>
Expenditures				
Facilities, acquisitions and construction services	4,000,000	4,000,000	639,063	3,360,937
Total expenditures	<u>4,000,000</u>	<u>4,000,000</u>	<u>639,063</u>	<u>3,360,937</u>
Deficiency of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(630,042)</u>	<u>(630,042)</u>
Net change in fund balance	-	-	(630,042)	<u>\$ (630,042)</u>
Fund balance - beginning of year	<u>3,813,083</u>	<u>3,813,083</u>	<u>3,813,083</u>	
Fund balance - end of year	<u>\$ 3,813,083</u>	<u>\$ 3,813,083</u>	<u>\$ 3,183,041</u>	

Fremont County School District #1

June 30, 2024

Statement of Net Position

Nonmajor Proprietary Funds

	Business-type Activities		
	Swimming Pool Fund	Facilities Enterprise Fund	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 563	\$ 659,776	\$ 660,339
Accounts receivable	8,664	-	8,664
Total current assets	<u>9,227</u>	<u>659,776</u>	<u>669,003</u>
Noncurrent Assets			
Capital assets, net of accumulated depreciation	319,780	-	319,780
Total assets	<u>329,007</u>	<u>659,776</u>	<u>988,783</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan items	10,735	-	10,735
Total deferred outflows of resources	<u>10,735</u>	<u>-</u>	<u>10,735</u>
LIABILITIES			
Current liabilities			
Accounts payable	4,010	-	4,010
Accrued wages payable	15,671	-	15,671
Total current liabilities	<u>19,681</u>	<u>-</u>	<u>19,681</u>
Noncurrent liabilities			
Due in more than one year	13,996	-	13,996
Net pension liabilities	143,165	-	143,165
Total noncurrent liabilities	<u>157,161</u>	<u>-</u>	<u>157,161</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan items	12,755	-	12,755
Total deferred inflows of resources	<u>12,755</u>	<u>-</u>	<u>12,755</u>
NET POSITION			
Net investment in capital assets	319,780	-	319,780
Unrestricted (deficit)	(169,635)	659,776	490,141
Total net position	<u>\$ 150,145</u>	<u>\$ 659,776</u>	<u>\$ 809,921</u>

Fremont County School District #1

Year Ended June 30, 2024

Statement of Revenues, Expenses and Changes in Fund Net Position

Nonmajor Proprietary Funds

	Business-type Activities		
	Swimming Pool Fund	Facilities Enterprise Fund	Totals
Operating revenues			
Charges for services	\$ 113,162	\$ 42,000	\$ 155,162
Total operating revenues	113,162	42,000	155,162
Operating expenses			
Salaries	315,258	-	315,258
Contractual services	31,108	-	31,108
Supplies	75,032	-	75,032
Miscellaneous	760	-	760
Depreciation	78,011	-	78,011
Total operating expenses	500,169	-	500,169
Operating income (loss)	(387,007)	42,000	(345,007)
Nonoperating revenue			
Investment income	-	3,804	3,804
Total nonoperating revenue	-	3,804	3,804
Income (loss) before transfers	(387,007)	45,804	(341,203)
Transfers in	403,933	-	403,933
Total transfers	403,933	-	403,933
Change in net position	16,926	45,804	62,730
Net position - beginning of year	133,219	613,972	747,191
Net position - end of year	\$ 150,145	\$ 659,776	\$ 809,921

Fremont County School District #1

Year Ended June 30, 2024

Statement of Cash Flows

Nonmajor Proprietary Funds

	Business-type Activities		
	Swimming Pool Fund	Facilities Enterprise Fund	Totals
Cash flows from operating activities			
Cash receipts from customers	\$ 105,161	\$ 42,500	\$ 147,661
Cash payments to suppliers for goods and services	(111,491)	-	(111,491)
Cash payments to employees for services	(397,603)	-	(397,603)
Net cash and cash equivalents provided by (used in) operating activities	<u>(403,933)</u>	<u>42,500</u>	<u>(361,433)</u>
Cash flows from noncapital financing activities			
Transfers in	403,933	-	403,933
Net cash and cash equivalents provided by noncapital financing activities	<u>403,933</u>	<u>-</u>	<u>403,933</u>
Cash flows from investing activities			
Investment income	-	3,804	3,804
Net cash and cash equivalents provided by investing activities	<u>-</u>	<u>3,804</u>	<u>3,804</u>
Net increase in cash and cash equivalents	-	46,304	46,304
Cash and cash equivalents - beginning of year	563	613,472	614,035
Cash and cash equivalents - end of year	<u>\$ 563</u>	<u>\$ 659,776</u>	<u>\$ 660,339</u>
Reconciliation of operating income (loss) to net cash and cash equivalents provided by (used in) operating activities			
Operating income (loss)	\$ (387,007)	\$ 42,000	\$ (345,007)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents provided by (used in) operating activities			
Depreciation	78,011	-	78,011
Amortization of pension plan items	35,708	-	35,708
(Decrease) in accounts receivable	(8,001)	500	(7,501)
Increase in accounts payable	10,504	-	10,504
(Decrease) in accrued wages payable	(4,591)	-	(4,591)
(Decrease) in compensated absences	(17,689)	-	(17,689)
(Decrease) in net pension liability	(110,868)	-	(110,868)
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ (403,933)</u>	<u>\$ 42,500</u>	<u>\$ (361,433)</u>



SINGLE AUDIT SECTION

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Fremont County School District #1

Year Ended June 30, 2024

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	243WY312N1099	\$ 67,213
National School Lunch Program	10.555	243WY312N1099	293,453
National School Lunch Program - USDA Commodities	10.555	243WY312N1099	46,518
Supply Chain Assistance Funds	10.555	233WY901N8903	38,081
Summer Food Service Program for Children	10.559	243WY312N1199	11,298
Fresh Fruit and Vegetable Program	10.582	243WY379L1603	47,113
Total Child Nutrition Cluster			503,676
State Administrative Expenses for Child Nutrition	10.560	233WY014N2533	723
Child Nutrition Discretionary Grants Limited Availability	10.579	Unknown	7,237
Total U.S. Department of Agriculture			511,636
<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	13,382
Title I Grants to Local Educational Agencies	84.010A	220701T1SUBR2100	17,441
Title I Grants to Local Educational Agencies	84.010A	2307011003SUBR2200	50,050
Title I Grants to Local Educational Agencies	84.010A	230701T1SUBR2200	178,726
Title I Grants to Local Educational Agencies	84.010A	2307011003SUB2100	15,706
Title I Grants to Local Educational Agencies	84.010A	240701T1SUBR2200	579,539
Total Title I Grants to Local Educational Agencies			854,844
<i>Special Education Cluster (IDEA)</i>			
Special Education Grants to States (IDEA, Part B)	84.027A	230701SPEDSUBR2200	292,469
Special Education Grants to States (IDEA, Part B)	84.027A	240701SPEDSUBR2200	373,413
Special Education Preschool Grants (IDEA Preschool)	84.173A	230701PSCHSUBR2100	4,159
Total Special Education Cluster (IDEA)			670,041
Career and Technical Education - Basic Grants to States	84.048A	240701PERKSUBS2200	45,433
Total Career and Technical Education - Basic Grants to States			45,433
Direct			
Indian Education Grants to Local Educational Agencies	84.060A	-	101,295
Total Indian Education Grants to Local Educational Agencies			101,295

(Continued)

Fremont County School District #1

Year Ended June 30, 2024

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	220701CCLCSUBR21B4	43,743
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B4	85,524
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B3	122,916
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B1	123,820
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B4	84,800
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B3	66,523
Twenty-First Century Community Learning Centers	84.287C	220701CCLCSUBR21B1	59,698
Total Twenty-First Century Community Learning Centers			587,024
Supporting Effective Instruction State Grants	84.367A	230701T2SUBR2200	15,596
Supporting Effective Instruction State Grants	84.367A	240701T2SUBR2200	132,779
Total Supporting Effective Instruction State Grants			148,375
Comprehensive Literacy Development	84.371C	217129	315,069
Total Comprehensive Literacy Development			315,069
Student Support and Academic Enrichment Program	84.424A	230701T4SUBR2200	35,722
Student Support and Academic Enrichment Program	84.424A	240701T4SUBR2200	3,201
Total Student Support and Academic Enrichment Program			38,923
Education Stabilization Fund			
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	210701GEEREANS2100	4,629
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	210701SRPASUBR2100	1,429,207
COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	84.425U	235033	7,497
Total Education Stabilization Fund			1,441,333
Total U.S. Department of Education			4,202,337
<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	475,234
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance			475,234
Total U.S. Department of Health and Human Services			475,234
Total Expenditures of Federal Awards			\$ 5,189,207

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

Notes to the Schedule of Expenditures of Federal Awards

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, 2024. 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, 2024 ranged from 0% 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, 2024, the Schedule reported food commodities totaling \$46,518.

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

INDEPENDENT AUDITOR'S REPORT

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, 2024, 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 6, 2024.

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 to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.



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Casper, WY 82601

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 6, 2024

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, 2024. 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, 2024.

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 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 2024-001 and 2024-002, 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 6, 2024

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Schedule of Findings and Questioned Costs

Section I – Summary of Auditor’s Results

Financial Statements

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

Internal control over financial reporting:

Material 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
84.425C	COVID-19 Governor’s Emergency Education Relief (GEER) Fund
84.425U	COVID-19 American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)
84.010A	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? Yes

Schedule of Findings and Questioned Costs (Continued)

Section II - Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

Significant Deficiencies in Internal Control over Compliance

2024-001 - Eligibility

Program: Title I Grants to Local Educational Agencies

Federal Listing Assistance No: 84.010A

Federal Agency: U.S. Department of Education

Federal Award Identification Number: None

Year: 2023

Pass-through entity: Wyoming Department of Education

Criteria or Specific Requirement

Eligibility - When determining eligibility, a LEA must select a poverty measure from among the following data sources: (1) the number of children ages 5–17 in poverty counted in the most recent census; (2) the number of children eligible for free and reduced price lunches; (3) the number of children in families receiving TANF; (4) the number of children eligible to receive Medicaid assistance; or (5) a composite of these data sources. The District selected the number of children eligible for free and reduced price lunches as the poverty measure. The District's system of internal control must include review and retention of the documentation supporting the counts of children eligible for free and reduced lunches for all attendance areas reported in the grant application.

The District may use the district-wide poverty average or the poverty average for the respective grade-span grouping. A LEA may serve, for one additional year, an attendance area that is not currently eligible but was eligible and served in the preceding year. The District's system of internal control should include the review of the information reported to assure the accuracy and compliance with the program requirements

Additionally, a school at or above 40 percent poverty or a school that receives a waiver from the SEA may use its Part A funds, along with other federal, state, and local funds, to operate a school wide program to upgrade the instructional program in the whole school.

Condition

The number of children eligible for free and reduced priced meals reported for four attendance areas in the grant application did not match to the counts recorded in the District's student information management system, which maintains the data for children eligible for free and reduced priced meals. Reliable data from the information management system was either not used or was used but the record of the data was not maintained as support for the numbers included on the grant application. The information included on the grant application was not reviewed by another knowledgeable individual prior to submission.

The District's internal control system is lacking a review process of the grant application information resulting in an incorrect determination of poverty rate of the attendance areas.

Schedule of Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control over Compliance (Continued)

2024-001 - Eligibility (Continued)

Cause

The District does not have an established review process for verifying the accuracy of information reported in the grant application and has not retained the supporting documentation to substantiate the reported data.

Effect or Potential Effect

The District's eligibility calculation was inconsistent with the supporting documentation from free and reduced lunch applications resulting in an incorrect determination of poverty rate in an attendance area.

Questioned Costs

None.

Context

The District's low income student counts reported for five of its six attendance areas and one of its six attendance areas did not agree to the supporting information contained in the District's student management system for the dates reported on the 2023 – 2024 and 2022 – 2023 grant applications, respectively. The counts reported for two of the attendance areas incorrectly resulted in poverty rate greater than 40% in the 2023 – 2024 grant application and one of the attendance areas incorrectly resulted in poverty rate greater than 40% in the 2022 – 2023 grant application.

Identification of Repeat Finding

This is not a repeat finding.

Recommendation

The District should obtain and retain student count information from the District's student management system for the Title I grant application. Furthermore, once the grant application is completed, it should be reviewed by another knowledgeable individual.

Views of Responsible Officials

Fremont Count School District #1 will review and retain supporting documentation for the numbers of free and reduced lunch applicants in determining eligibility for the Title I grant.

See Corrective Action Plan

Schedule of Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control over Compliance (Continued)

2024-002 - Reporting

Program: Education Stabilization Fund (ESF)

Federal Listing Assistance No: 84.425C and 84.25U

Federal Agency: U.S. Department of Education

Federal Award Identification Number: None

Year: 2023

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; 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 to the retention of documentation supporting data on ESSER reports submitted to the Wyoming Department of Education were not followed.

Cause

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.

Effect or Potential Effect

The documentation supporting the data and other information submitted in the ESSER reports to Wyoming Department of Education had to be recreated.

Questioned Costs

None

Context

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

Identification of a Repeat Finding

This is a repeat finding.

Schedule of Findings and Questioned Costs (Continued)

Significant Deficiencies in Internal Control over Compliance (Continued)

2024-002 - Reporting (continued)

Recommendation

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

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FREMONT COUNTY School District 1

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Summary Schedule of Prior Year Audit Findings

2023-001

The District modified its template contract used to include a certification of compliance related to suspension and debarment from the person or entity.

Finding 2023-001 has been corrected.

2023-002

The District did not follow the internal control process over retention of documentation supporting the data on the ESSR and GEER reports submitted to the Wyoming Department of Education. In the future, no matter how many different individuals are collecting data for reporting, all supporting data will be retained by the business office personnel.

Finding 2023-002 has been repeated as 2024-002.

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Corrective Action Plan

Section III – Federal Award Findings and Questioned Costs

Finding 2024-001 – Eligibility

Name of Contact Person

Travis Sweeney, SFO
Business Manager

Corrective Action

The Business Manager and/or Superintendent will verify the eligibility information for future Title I grants prior to submitting the annual application. District Business Manager, Travis Sweeney, will obtain documentation on an annual basis that the eligibility is true and correct and the information input into the application will match the information within the District's student information system (Infinite Campus).

Proposed Completion Date

Fiscal year ended June 30, 2025

Finding 2024-002 – 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, 2025