



FREMONT COUNTY SCHOOL DISTRICT #2
DUBOIS, WYOMING

Basic Financial Statements

For the Year Ended June 30, 2024

(With Independent Auditors' Report Thereon)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-8
BASIC FINANCIAL STATEMENTS:	
District-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet - Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	13
Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	14
Statement of Net Position - Proprietary Funds	15
Statement of Revenues, Expenses, and Changes of Net Position - Proprietary Funds	16
Statement of Cash Flows - Proprietary Funds	17
Notes to Basic Financial Statements	18-34

REQUIRED SUPPLEMENTAL INFORMATION:

Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual:	
General Fund	35
Grant Programs Fund	36
Major Maintenance Fund	37
Schedule of Proportionate Share of the Net Pension Liability.....	38
Schedule of Contributions	39

SUPPLEMENTAL INFORMATION:

Combining Statements:

Combining Balance Sheet - Non-Major Governmental Funds.....	40
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards.....	43

OTHER REPORTS:

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.....	44-45
Report on Compliance for Each Major Federal Program And Report on Internal Control Over Compliance in Accordance with the Uniform Guidance – Independent Auditor’s Report	46-48
Schedule of Findings and Questioned Costs	49-50

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

School Board of Trustees
Fremont County School District #2
Dubois, Wyoming

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fremont County School District #2 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor governmental fund financial statements 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.

The combining nonmajor governmental fund financial statements and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements 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 2, 2024, on our consideration of the District'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 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 the District's internal control over financial reporting and compliance.

Carver Flook & James, CPAs

Layton, Utah
December 2, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

FREMONT COUNTY SCHOOL DISTRICT #2
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024
(UNAUDITED)

As management of the Fremont County School District #2, we offer the 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 \$19,243,056 at June 30, 2024 which compares to \$19,249,757 at the beginning of the fiscal year, a decrease of \$6,701 or less than 1%.

During the year, the District's costs for governmental activities were \$7,290,225. The District's revenue generated in operating grants, taxes and other revenues for governmental activities was \$7,235,329. The combined net costs for the District's governmental activities and business-type activities were \$7,553,022. The District's revenue generated in charges for services, operating grants, taxes and other revenue for the above activities totaled \$7,546,321.

The District participates in the Public Employees' Pension Plan ("PEPP"), as statewide cost-sharing multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System. Governmental accounting standards require the District to record its proportionate share of the overall plan's net position. This resulted in recording a pension liability of \$3,230,187 and \$3,804,677 as of June 30, 2023 and 2022, respectively. All plan components, including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates, and plan administration are overseen by the Wyoming Retirement System Board. The District has no control of the plan elements that affect the net position.

STUDENT ENROLLMENT COMPARISON

	2023-2024	2022-2023	Change	% Change
Elementary School	81.443	88.377	-6.934	-7.85%
Middle School	44.270	41.192	3.078	7.47%
High School	59.539	52.333	7.206	13.77%
<i>Yearly Totals</i>	<i>185.252</i>	<i>181.902</i>	<i>3.350</i>	<i>1.84%</i>

FREMONT COUNTY SCHOOL DISTRICT #2
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024
(UNAUDITED)

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic 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 other supplementary information in addition to the basic 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 liabilities, with the difference between the two reported as *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 or other factors.

The *statement of activities* presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all of a significant portion of their costs through user fees and charges. The District has two programs included in *business-type activity*, Food Service Fund and Rental Property Management Fund (teacherages).

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 moves 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

FREMONT COUNTY SCHOOL DISTRICT #2
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024
(UNAUDITED)

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 and special revenue fund are considered major funds that are reported as separate columns in the financial statements.

- **Proprietary Funds.** Proprietary funds are used to account for services for which the District charges participants a fee. These funds, like the government-wide statements, provide both long and short-term financial information. There are two fund types in this category, Enterprise and Internal Service Funds. The Food Service Fund and Teacherage Fund (Rental Property Management) makes up the enterprise funds for the District. The District currently does not hold an Internal Service Fund.
- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary and trust 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 these funds are used for their intended purposes. The District had no fiduciary funds during the fiscal year.

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

FREMONT COUNTY SCHOOL DISTRICT #2
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024
(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 in comparison with 2023.

Condensed Statement of Net Position						
	As of June 30, 2024			As of June 30, 2023		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
<u>ASSETS</u>						
Current & Other Assets	\$ 2,582,422	\$ 126,940	\$ 2,709,362	\$ 2,907,761	\$ 121,422	\$ 3,029,183
Capital Assets	18,709,046	1,253,066	19,962,112	18,893,307	1,242,061	20,135,368
Total Assets	21,291,468	1,380,006	22,671,474	21,801,068	1,363,483	23,164,551
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	366,942	8,940	375,882	679,625	22,487	702,112
<u>LIABILITIES</u>	3,843,594	89,527	3,933,121	4,455,755	137,033	4,592,788
<u>DEFERRED INFLOWS OF RESOURCES</u>	125,553	3,059	128,612	23,346	772	24,118
<u>NET POSITION</u>						
Net Investment in Capital Assets	18,709,046	-	18,709,046	18,562,836	1,242,061	19,804,897
Restricted	1,610,800	-	1,610,800	1,608,546	-	1,608,546
Unrestricted	(2,630,583)	1,296,360	(1,334,223)	(2,169,790)	6,104	(2,163,686)
Total Net Position	\$ 17,689,263	\$ 1,296,360	\$ 18,985,623	\$ 18,001,592	\$ 1,248,165	\$ 19,249,757

FREMONT COUNTY SCHOOL DISTRICT #2
MANAGEMENT DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2024
(UNAUDITED)

Changes in District's Net Position						
	For the Year Ended June 30, 2024			For the Year Ended June 30, 2023		
	Governmental Activities	Business-Type Activities	Total School District	Governmental Activities	Business-Type Activities	Total School District
<u>REVENUES</u>						
Charges for Services	\$ 9,638	\$ 117,114	\$ 126,752	\$ -	\$ 116,838	\$ 116,838
Operating Grants & Contributions	1,727,361	78,357	1,805,718	1,672,052	79,643	1,751,695
Capital Grants & Contributions	441,806	-	441,806	77,666	-	77,666
<u>GENERAL REVENUES</u>						
Taxes	2,725,343	-	2,725,343	2,982,106	-	2,982,106
Government Aid	2,006,242	-	2,006,242	1,418,355	-	1,418,355
Interest Earnings	94,205	1,140	95,345	82,241	222	82,463
Miscellaneous	87,607	75	87,682	159,635	-	159,635
Transfers	(114,306)	114,306	-	(510,405)	510,405	-
Total Revenues, net of transfers	6,977,896	310,992	7,288,888	5,881,650	707,108	6,588,758
<u>EXPENSES</u>						
Instruction	3,461,517	-	3,461,517	3,291,373	-	3,291,373
Instructional support	662,490	-	662,490	505,651	-	505,651
General support	2,337,025	-	2,337,025	1,445,577	-	1,445,577
Facilities acquisition and construction	14,377	-	14,377	694,082	-	694,082
Other sources	20,023	-	20,023	27,384	-	27,384
Depreciation and amortization (unallocated)	794,793	-	794,793	861,462	-	861,462
Food Services	-	199,966	199,966	-	271,722	271,722
Teacherages	-	52,711	52,711	-	48,276	48,276
Preschool	-	10,120	10,120	-	-	-
Total Expenses	7,290,225	262,797	7,553,022	6,825,529	319,998	7,145,527
Change in Net Position	(312,329)	48,195	(264,134)	(943,879)	387,110	(556,769)
Net Position - Beginning of Year	18,001,592	1,248,165	19,249,757	18,770,356	861,055	19,631,411
Prior period adjustment	-	-	-	175,115	-	175,115
Net Position - End of Year	\$ 17,689,263	\$ 1,296,360	\$ 18,985,623	\$ 18,001,592	\$ 1,248,165	\$ 19,249,757

BASIC FINANCIAL STATEMENTS

FREMONT COUNTY SCHOOL DISTRICT #2**STATEMENT OF NET POSITION**

As of June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,974,961	\$ 116,718	\$ 2,091,679
Cash held by County Treasurer	30,939	-	30,939
Due from other governments	468,868	1,216	470,084
Property taxes receivable	309,164	-	309,164
Other receivables	390	2,408	2,798
Prepays and inventory	55,533	6,598	62,131
Capital assets not being depreciated	756,338	582,675	1,339,013
Capital assets being depreciated, net	17,952,708	670,391	18,623,099
Total assets	21,548,901	1,380,006	22,928,907
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Related to pensions	366,942	8,940	375,882
<u>LIABILITIES</u>			
Accounts payable	220,320	6,585	226,905
Accrued wages payable and other liabilities	389,392	6,117	395,509
Noncurrent liabilities:			
Due within one year	40,260	-	40,260
Due after one year	40,260	-	40,260
Net pension liability	3,153,362	76,825	3,230,187
Total liabilities	3,843,594	89,527	3,933,121
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Related to pensions	125,553	3,059	128,612
<u>NET POSITION</u>			
Net investment in capital assets	18,709,046	-	18,709,046
Restricted for:			
Capital maintenance	928,829	-	928,829
Excess tax collection (W.S. 21-13-313(d))	437,312	-	437,312
Debt service	35,595	-	35,595
Student activities	59,282	-	59,282
Adult education	149,782	-	149,782
Unrestricted	(2,373,150)	1,296,360	(1,076,790)
Total net position	\$ 17,946,696	\$ 1,296,360	\$ 19,243,056

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

FREMONT COUNTY SCHOOL DISTRICT #2

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2024

Functions/Programs	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
<i>Governmental activities:</i>							
Instruction	\$ 3,461,702	\$ 9,638	\$ 1,575,039	\$ -	\$ (1,877,025)	\$ -	\$ (1,877,025)
Instructional support	662,490	-	123,372	-	(539,118)	-	(539,118)
General support	2,337,025	-	131,889	-	(2,205,136)	-	(2,205,136)
Facilities acquisition and construction	14,377	-	130,928	441,806	558,357	-	558,357
Other sources	19,838	-	23,566	-	3,728	-	3,728
Depreciation/amortization - unallocated	794,793	-	-	-	(794,793)	-	(794,793)
Total governmental activities	7,290,225	9,638	1,984,794	441,806	(4,853,987)	-	(4,853,987)
<i>Business-type activities:</i>							
Food services	199,966	43,290	78,357	-	-	(78,319)	(78,319)
Teacherage	52,711	66,424	-	-	-	13,713	13,713
Preschool	10,120	7,400	-	-	-	(2,720)	(2,720)
Total business-type activities	262,797	117,114	78,357	-	-	(67,326)	(67,326)
Total primary government	\$ 7,553,022	\$ 126,752	\$ 2,063,151	\$ 441,806	(4,853,987)	(67,326)	(4,921,313)
General revenues and transfers							
Property taxes levied for:							
General purposes					2,364,737	-	2,364,737
Specific purposes of major building and facility maintenance					360,606	-	360,606
State aid					2,006,242	-	2,006,242
Unrestricted investment earnings (losses)					94,205	1,140	95,345
Unrestricted miscellaneous revenue					87,607	75	87,682
Transfers in (out), net					(114,306)	114,306	-
Total general revenues and transfers					4,799,091	115,521	4,914,612
Change in net position					(54,896)	48,195	(6,701)
Net position - beginning					18,001,592	1,248,165	19,249,757
Net position - ending					\$ 17,946,696	\$ 1,296,360	\$ 19,243,056

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

FREMONT COUNTY SCHOOL DISTRICT #2

BALANCE SHEET GOVERNMENTAL FUNDS

As of June 30, 2024

	General	Grant Programs	Major Maintenance	Capital Projects	Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 483,179	\$ 64,038	\$ 934,688	\$ 279,547	\$ 213,509	\$ 1,974,961
Cash held by County Treasurer	-	-	-	681	30,258	30,939
Due from other funds	359,315	-	-	-	5,382	364,697
Due from other governments	32,270	436,598	-	-	-	468,868
Property taxes receivable	305,253	-	-	-	3,911	309,164
Other receivables	-	-	-	-	390	390
Prepaid expenses	54,213	1,320	-	-	-	55,533
Total assets	<u>\$ 1,234,230</u>	<u>\$ 501,956</u>	<u>\$ 934,688</u>	<u>\$ 280,228</u>	<u>\$ 253,450</u>	<u>\$ 3,204,552</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 19,273	\$ 192,062	\$ 5,859	\$ -	\$ 3,126	\$ 220,320
Accrued wages payable	341,977	46,122	-	-	1,293	389,392
Due to other funds	5,717	358,519	-	-	461	364,697
Total liabilities	<u>366,967</u>	<u>596,703</u>	<u>5,859</u>	<u>-</u>	<u>4,880</u>	<u>974,409</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable property taxes	305,253	-	-	-	3,911	309,164
Unavailable grant revenue	-	257,433	-	-	-	257,433
Total deferred inflows of resources	<u>305,253</u>	<u>257,433</u>	<u>-</u>	<u>-</u>	<u>3,911</u>	<u>566,597</u>
<u>FUND BALANCES</u>						
Nonspendable	54,213	1,320	-	-	-	55,533
Restricted for:						
Capital maintenance	-	-	928,829	-	-	928,829
Grant fund deficit	352,180	-	-	-	-	352,180
Enterprise fund deficit	59,841	-	-	-	-	59,841
Excess tax collection (W.S. 21-13-313(d))	437,312	-	-	-	-	437,312
Debt service	-	-	-	-	35,595	35,595
Student activities	-	-	-	-	59,282	59,282
Adult education	-	-	-	-	149,782	149,782
Capital projects	-	-	-	280,228	-	280,228
Unassigned	(341,536)	(353,500)	-	-	-	(695,036)
Total fund balances	<u>562,010</u>	<u>(352,180)</u>	<u>928,829</u>	<u>280,228</u>	<u>244,659</u>	<u>1,663,546</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,234,230</u>	<u>\$ 501,956</u>	<u>\$ 934,688</u>	<u>\$ 280,228</u>	<u>\$ 253,450</u>	<u>\$ 3,204,552</u>

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

FREMONT COUNTY SCHOOL DISTRICT #2
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
As of June 30, 2024

Total fund balances - governmental funds	\$	1,663,546
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Amounts reported for governmental activities in the statement
of net assets are different because:

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

Asset cost	29,717,778	
Accumulated depreciation	<u>(11,008,732)</u>	18,709,046

Receivables not available under modified accrual; however, considered available at the government-wide level.		566,597
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Deferred outflows of resources related to pensions which are not reported in governmental funds.		366,942
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Deferred inflows of resources related to pensions which are not reported in governmental funds.		(125,553)
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Long-term liabilities, including subscription liabilities, are not due
and payable in the current period and therefore are not reported as
liabilities in the funds. Long-term liabilities at year-end consist of:

Accrued compensated absences	(80,520)	
Net pension liability	<u>(3,153,362)</u>	<u>(3,233,882)</u>

Total net position - governmental activities	\$	<u>17,946,696</u>
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The notes to financial statements are an integral part of this statement.

FREMONT COUNTY SCHOOL DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	General	Grant Programs	Major Maintenance	Capital Projects	Nonmajor Funds	Total Governmental Funds
<u>REVENUES</u>						
Taxes	\$ 2,363,240	\$ -	\$ -	\$ -	\$ 139,228	\$ 2,502,468
Intergovernmental revenues	2,550,778	1,067,805	360,606	441,806	-	4,420,995
Contributions	-	2,200	-	-	26,484	28,684
Interest	36,733	1,089	50,081	2,337	3,628	93,868
Miscellaneous	7,183	5,999	1,225	-	30,416	44,823
Total revenues	<u>4,957,934</u>	<u>1,077,093</u>	<u>411,912</u>	<u>444,143</u>	<u>199,756</u>	<u>7,090,838</u>
<u>EXPENDITURES</u>						
Current:						
Instruction	2,423,905	855,018	-	-	244,294	3,523,217
Instructional support	513,532	157,080	-	-	-	670,612
General support	2,018,528	167,923	184,548	-	-	2,370,999
Facilities acquisition and construction	-	10,030	-	4,434	-	14,464
Other sources	-	-	-	-	19,838	19,838
Capital outlays	33,400	368,978	96,774	450,758	3,011	952,921
Total expenditures	<u>4,989,365</u>	<u>1,559,029</u>	<u>281,322</u>	<u>455,192</u>	<u>267,143</u>	<u>7,552,051</u>
Excess (deficiency) of revenue over expenditures	(31,431)	(481,936)	130,590	(11,049)	(67,387)	(461,213)
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in (out), net	(100,000)	-	-	(14,306)	-	(114,306)
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(14,306)</u>	<u>-</u>	<u>(114,306)</u>
Net change in fund balance	(131,431)	(481,936)	130,590	(25,355)	(67,387)	(575,519)
Fund balances - beginning	693,441	129,756	798,239	305,583	312,046	2,239,065
Fund balances - ending	<u>\$ 562,010</u>	<u>\$ (352,180)</u>	<u>\$ 928,829</u>	<u>\$ 280,228</u>	<u>\$ 244,659</u>	<u>\$ 1,663,546</u>

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

FREMONT COUNTY SCHOOL DISTRICT #2
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024

Total net change in fund balances - governmental funds **\$ (575,519)**

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

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

Capital outlays	952,921	
Depreciation and amortization expense	(794,793)	
Gain (loss) on sale of assets	<u>(133)</u>	157,995

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds		258,930
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Debt proceeds provide current financial resources to governmental funds, but the issuance of debt increase long-term liabilities on the statement of net position. Repayment of debt principal is an expenditure on the governmental funds, but reduces long-term liabilities on the statement of net position.

Subscriptions	<u>(11,785)</u>	(11,785)
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Some 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. These activities include:

Change in compensated absences	910	
Change in net pension liability	529,463	
Change in deferred outflows of resources - pensions	(312,683)	
Change in deferred inflows of resources - pensions	<u>(102,207)</u>	<u>115,483</u>

Change in net position of governmental activities		<u><u>\$ (54,896)</u></u>
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FREMONT COUNTY SCHOOL DISTRICT #2**STATEMENT OF NET POSITION****PROPRIETARY FUNDS**

As of June 30, 2024

	Enterprise Funds			
	Food Service	Teachergage	Preschool	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 10,762	\$ 105,419	\$ 537	\$ 116,718
Due from other governmetns	1,216	-	-	1,216
Other receivables	1,815	550	43	2,408
Prepays	-	3,817	-	3,817
Inventory	2,781	-	-	2,781
Total current assets	16,574	109,786	580	126,940
Noncurrent assets:				
Capital assets not being depreciated	-	582,675	-	582,675
Capital assets being depreciated, net	310	670,081	-	670,391
Total noncurrent assets	310	1,252,756	-	1,253,066
Total assets	16,884	1,362,542	580	1,380,006
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Related to pensions	8,529	-	411	8,940
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	3,009	3,576	-	6,585
Accrued wages payable	3,042	-	-	3,042
Rental deposits	-	3,075	-	3,075
Total current liabilities	6,051	6,651	-	12,702
Noncurrent liabilities:				
Net pension liability	73,292	-	3,533	76,825
Total noncurrent liabilities	73,292	-	3,533	76,825
Total liabilities	79,343	6,651	3,533	89,527
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Related to pensions	2,918	-	141	3,059
<u>NET POSITION (DEFICIT)</u>				
Net investment in capital assets	310	1,252,756	-	1,253,066
Unrestricted	(57,158)	103,135	(2,683)	43,294
Total net position (deficit)	\$ (56,848)	\$ 1,355,891	\$ (2,683)	\$ 1,296,360

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

FREMONT COUNTY SCHOOL DISTRICT #2
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Enterprise Funds			
	Food Service	Teacherage	Preschool	Total
<u>OPERATING REVENUES</u>				
Charges for services	\$ 43,365	\$ 66,424	\$ 7,400	\$ 117,189
Total operating revenues	<u>43,365</u>	<u>66,424</u>	<u>7,400</u>	<u>117,189</u>
<u>OPERATING EXPENSES</u>				
Salaries	74,407	-	3,304	77,711
Employee benefits	53,713	-	6,517	60,230
Supplies	71,722	27,447	299	99,468
Depreciation	124	25,264	-	25,388
Total operating expenses	<u>199,966</u>	<u>52,711</u>	<u>10,120</u>	<u>262,797</u>
Operating income (loss)	<u>(156,601)</u>	<u>13,713</u>	<u>(2,720)</u>	<u>(145,608)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Intergovernmental	78,357	-	-	78,357
Interest income	254	849	37	1,140
Transfers in (out), net	100,000	14,306	-	114,306
Total non-operating revenues (expenses)	<u>178,611</u>	<u>15,155</u>	<u>37</u>	<u>193,803</u>
Net income (loss)	<u>22,010</u>	<u>28,868</u>	<u>(2,683)</u>	<u>48,195</u>
Net position (deficit) - beginning	<u>(78,858)</u>	<u>1,327,023</u>	<u>-</u>	<u>1,248,165</u>
Net position (deficit) - ending	<u><u>\$ (56,848)</u></u>	<u><u>\$ 1,355,891</u></u>	<u><u>\$ (2,683)</u></u>	<u><u>\$ 1,296,360</u></u>

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

FREMONT COUNTY SCHOOL DISTRICT #2
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2024

	Enterprise Funds			
	Food Service	Teacherage	Preschool	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from customers	\$ 41,884	\$ 65,874	\$ 7,357	\$ 115,115
Payments to employees for services	(166,292)	-	(6,558)	(172,850)
Payments to suppliers for goods and services	(70,577)	(24,936)	(299)	(95,812)
Net cash provided (used) by operating activities	(194,985)	40,938	500	(153,547)
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Federal reimbursement	78,357	-	-	78,357
Interfund activity	100,000	14,306	-	114,306
Net cash provided (used) by noncapital financing activities	178,357	14,306	-	192,663
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Purchases of capital assets	-	(36,393)	-	(36,393)
Net cash provided (used) by capital and related financing activities	-	(36,393)	-	(36,393)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest on investments	254	849	37	1,140
Net cash provided by (used) investing activities	254	849	37	1,140
Net change in cash and cash equivalents	(16,374)	19,700	537	3,863
Cash and cash equivalents - beginning	27,136	85,719	-	112,855
Cash and cash equivalents - ending	\$ 10,762	\$ 105,419	\$ 537	\$ 116,718
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(156,601)	13,713	(2,720)	(145,608)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	124	25,264	-	25,388
Changes in assets and liabilities:				
Receivables	(1,481)	(550)	(43)	(2,074)
Inventory and prepaids	769	(350)	-	419
Accounts payable	376	3,576	-	3,952
Rental deposits	-	(715)	-	(715)
Accrued wages payable	(5,716)	-	-	(5,716)
Net pension resources	(32,456)	-	3,263	(29,193)
Net cash provided (used) by operating activities	\$ (194,985)	\$ 40,938	\$ 500	\$ (153,547)

NON-CASH NON-CAPITAL FINANCING ACTIVITIES

Non-cash activity included in operations was \$6,890 as the estimated value of food commodities received from the State under the Federal School Lunch Program.

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

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fremont County School District #2 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

Reporting Entity

The School Board of Trustees (the Board) has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District.

Nature of Operations

The operations of the District consist of providing educational services to the residents of Dubois, Wyoming and the surrounding area within Fremont County, Wyoming. The District operates under a locally elected seven-member Board form of government and provides educational and supportive services as mandated by the State of Wyoming and/or federal agencies.

Basis of Presentation

The District's basic financial statements consist of district-wide statements, including a statement of net position and a statement of activities. The District's basic financial statements also include fund financial statements.

1. District-wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. Both the governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resource basis which incorporates long-term assets, receivables and long-term debt and obligations. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which generally rely on fees and charges for support.

The statement of net position presents the financial condition of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's activities.

Direct expenses are those specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, such as taxes, that are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each District function is self-financing or draws from general revenues of the District.

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements

The District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The operation of each fund is considered an independent fiscal and separate accounting entity, with a self-balancing set of accounts where financial resources, related liabilities, and residual fund balances and changes therein are booked. The fund statements are presented on a current financial resource and modified cash basis of accounting. Since the governmental fund statements are presented on a different measurement focus and basis of accounting as compared to the district-wide statements, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the fund statements to the governmental column of the district-wide statements.

Fund Accounting

As described above, the District uses funds to maintain its financial records with a self-balancing set of accounts. There are two categories of funds used by the district, governmental and proprietary. The following is a brief description of the major funds used by the District.

1. Governmental Funds

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

General Fund

The General Fund is the primary operating fund of the District. This fund is used to account for all financial transactions and resources except those accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, and charges for services and interest income. The General Fund is a budgeted fund and is always considered a major fund for reporting purposes.

Special Revenue Funds

The Special Revenue Funds are comprised of the following:

Grant Programs: This fund tracks the activity associated with federal, state and other grant activities of the District. This fund budgeted and is considered a major fund for reporting purposes.

Major Maintenance: This fund tracks the maintenance activities of the District. This fund is budgeted and is considered a major fund for reporting purposes.

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources accumulated and payments made for the acquisition and improvement of sites; construction and remodel of facilities; and procurement of equipment, textbooks and supplies necessary for providing educational programs to students within the District. The revenue of the fund consists primarily of capital construction funds received from Wyoming Schools Facilities Department. This is a budgeted fund and this fund is considered a major fund for reporting purposes.

2. Proprietary Funds

Proprietary Funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, net position, revenues, and expenses relating to the government's business activities are accounted for through Proprietary Funds. The measurement focus is on determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as materials, contracts, personnel, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses. The following is a description of the District's Proprietary Funds.

Enterprise Funds

The Enterprise Funds account for operations that are financed in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District's Enterprise Funds account for food service, home rental programs also known as teacherage, and preschool activities.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe how transactions are recorded within the financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

District-wide and Proprietary Fund Financial Statements

In the Statement of Net Position and the Statement of Activities, and the proprietary fund statements, the "economic resources" measurement focus is applied. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, and cash flows. All assets and liabilities (whether current or noncurrent, financial or nonfinancial) associated with their activities are reported, and the accrual basis of accounting is applied. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental Fund Financial Statements

In the governmental fund financial statements, a "current financial resources" measurement focus is applied. Under this focus, only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available financial resources at the end of the period.

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the governmental fund financial statements, the modified accrual basis of accounting is applied. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the District considers property tax revenues to be “available” if they are collected by the District fiscal year-end. All other revenues are considered to be available if they are collected within 60 days after fiscal year-end. Grants are recognized as revenue when qualified expenditures are incurred and a contractual claim exists with the grantor agency. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general long-term debt principal and interest, claims and judgments, and accrued compensated absences, which are recorded as expenditures to the extent they have matured.

Assets, Liabilities and Net Position

Cash and Cash Equivalents

Cash and cash equivalents include all demand and savings accounts and other liquid investments with an original maturity of three months or less.

Receivables

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

Proprietary type funds and business-type activity’s receivables consist of all revenues earned at year-end and not yet received.

The District calculates its allowance for uncollectible accounts using historical collection data and, in most cases, fully allows for delinquent taxes over one year and reports only the net current delinquent taxes.

Inventories and Prepaid Expenses

Inventories of consumable supplies are valued at the lower of cost (determined on a first in, first out basis) or market. Inventory in the General Fund and government activities consist of expendable supplies held for consumption. Prepaid expenditures in reimbursable grants are offset by deferred revenues until expenditures are recognized. Prepaid expenditures related to insurance or service contracts are recorded as an asset and offset by a reserve for prepaid insurance.

Inventories are stated using first-in, first out for the Enterprise Fund. All 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.

Capital Assets and Depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund or proprietary fund type operations and whether they are reported in the district-wide or fund financial statements.

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District's capitalization threshold is \$2,500 for equipment, \$12,500 for land improvements, and \$25,000 for buildings and improvements. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs to these assets that do not add materially to the value of the asset or materially extend the assets' useful lives are not capitalized. Interest costs, net of interest earned on any invested capital debt proceeds, are capitalized when incurred by proprietary funds.

Depreciation of all exhaustible capital assets is recorded as an operating expense in proprietary fund financial statements and an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 years
Building improvements	15-25 years
Furniture and equipment	5-17 years
Transportation equipment	5-12 years

In the governmental fund financial statements, capital asset acquisitions are accounted for as capital outlay expenditures.

Deferred Outflows of Resources

A deferred outflow of resources is a consumption of net position that applies to a future reporting period and therefore will be reported as an outflow or expense in future years. All the District's reported deferred outflows of resources relate solely to the District's participation in the Wyoming Retirement System.

Accounts Payable and Accrued Expenses

Accounts Payable – Accounts payable in the governmental activities includes the payables recorded by the District at June 30, 2024 related to normal monthly expenditures and capital expenditures for all funds.

Accrued Wages Payable – Accrued wages payable consist of wages earned by employees through June 30, 2024 not yet paid and related payroll liabilities, such as FICA, retirement and health insurance.

Long-Term Debt

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

All long-term debt to be repaid from governmental activities, business-type activities, and proprietary fund resources are reported as liabilities are incurred. The long-term debt consists primarily of accrued compensated absences and net pension liability. Long-term debt is reported net of discounts and amounts deferred from refunds, if applicable.

Long-term debt of governmental funds is not reported as liabilities in the fund financial statements. Payments of principal and interest are reported as expenditures.

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Compensated absences are reported as accrued in the district-wide and proprietary fund financial statements. The District's policies regarding vacation and compensatory time permit employees to accumulate varying amounts as determined by how many months per year the employee works.

Deferred Inflows of Resources

A deferred inflow of resources is an acquisition of net position by the District that applies to a future reporting period and therefore will be recognized as an inflow or revenue in future years. The District's reported deferred inflows of resources relate to the District's participation in the Wyoming Retirement System and its recognition of property taxes receivable.

Net Position

1. District-Wide and Proprietary Fund Financial Statements:

For district-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- a. *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- b. *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- c. *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

2. Governmental Fund Financial Statements:

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The District's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- a. *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- b. *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- c. *Committed* fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the District's Board prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board adopts another ordinance to remove or revise the limitation.
- d. 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. The Board has by resolution authorized the finance director to assign fund balance. The Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- e. Unassigned fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

Operational Grants and Contributions

The District receives various operational grants at the state and federal level which aid in the funding of the educational programs. In the statement of activities this revenue is recognized when earned, and in the fund financial statements this revenue is recognized if earned and available at fiscal yearend.

Property Tax

The District levies taxes on assessed property through Fremont County, who acts as the agent to levy and collect property tax within the County. The taxes are levied on the assessed valuation of the prior year according to the tax calendar below. Collections are distributed after the end of each month. Assessed valuation and tax levies are subject to adjustment for prior years (rebates and supplemental) as controlled by the County or State. The District does record estimates for these adjustments as they are adjusted to current year tax receipts when they are approved. In addition, the State adjusts its entitlement funding based on property tax collections. The tax calendar is as follows:

Property Tax Calendar

August 10	Taxes are levied
September 1	First of two equal installment payments is due
November 10	First installment is delinquent
March 1	Second installment is due
May 10	Second installment is delinquent

Under GASB Standards, a receivable can be recorded at the earliest of the date of the assessment or the date a lien is placed on the property. Neither of these items occur prior to June 30th for the upcoming 2024 levy; therefore, at June 30, 2024, the property tax receivable consists of unpaid property taxes from the August 2023 levy. Effective, January 1, 2022, mineral ad valorem property taxes are billed and collected monthly by the Department of Revenue, with a true-up following the annual assessment on January 1.

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balance/net position on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The budgetary comparison schedules presented are on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Proceeds from financing lease purchase agreements and the associated capital outlay expenditure are not recorded on the cash basis (budget) but are recorded on the GAAP basis.
2. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
3. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District is subject to various local, state and federal laws and other contractual regulations. The following is a discussion of relevant matters affecting the District:

Deficit Fund Balances or Net Position

Wyoming Statutes prohibits the creation of a deficit fund balance in any individual fund of the District. For the year ended June 30, 2024, the District incurred a fund balance deficit in the Food Service Fund and Preschool Fund. These deficits are primarily a result of the recognition of the net pension liability related to participation in the Wyoming retirement system. The District also incurred a fund balance deficit in the Grants fund which is due primarily to an interfund payable with the General fund.

Budget Requirements

The District prepares its annual operating budget under the provisions of Wyoming State Statutes for all funds. The District reports financial position, results of operations and changes in fund balance on the basis of GAAP. The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual presented for the general fund and major special revenue funds are presented on the budgetary basis.

The legal level of control at which expenditures may not legally exceed appropriations is the function level within a fund. The Board may amend the budget once it is approved, and may authorize transfers within the various budgetary programs, in any fund. Unused appropriations typically lapse at the end of the year.

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Deposits and Investment Requirements (Policies)

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral, valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Wyoming or political subdivision debt obligations or surety bonds.

The District follows State Statutes by limiting its investments to FDIC insured/pledged institutions or State investment funds. At June 30, 2024, all of the District's bank deposits were at financial institutions that were adequately secured.

3. DEPOSITS AND INVESTMENT IN THE WYOMING GOVERNMENT INVESTMENT FUND

The District has funds on deposit with the Wyoming Government Investment Fund (WGIF). The WGIF invests in short-term commercial paper and certain U.S. Government agency obligations. Due to the short-term nature of these investments, the WGIF reports their investments at amortized costs, which approximate fair value, and are classified as "cash equivalents" in the accompanying district-wide statement of net position. The investments with the WGIF are investments not subject to credit risk categorization. However, the degree of risk and rate of return depends on the underlying portfolio of investments.

4. RECEIVABLES

Receivables in the statement of net position at June 30, 2024, consisted primarily of property taxes receivable, grants receivable and amounts due from other governments. Taxes receivable, grants receivable and receivables due from other governments reported in the governmental funds balance sheet are considered fully collectible. Therefore, an allowance for uncollectible accounts is not applicable to these receivables.

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FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

5. CAPITAL ASSETS

Capital asset activity of the District for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 466,088	\$ -	\$ -	\$ 466,088
Construction-in-progress	247,193	758,820	715,763	290,250
Total capital assets not being depreciated	713,281	758,820	715,763	756,338
Capital assets being depreciated/amortized:				
Buildings and improvements	25,778,510	876,821	-	26,655,331
Furniture and equipment	1,100,306	33,043	4,515	1,128,834
Transportation equipment	1,177,274	-	-	1,177,274
Right-to-use subscriptions	427,821	-	427,821	-
Total capital assets being depreciated/amortized	28,483,911	909,864	432,336	28,961,439
Accumulated depreciation/amortization for:				
Buildings and improvements	(8,245,297)	(692,639)	-	(8,937,936)
Furniture and equipment	(883,827)	(49,773)	(4,383)	(929,217)
Transportation equipment	(1,089,197)	(52,381)	-	(1,141,578)
Right-to-use subscriptions	(85,564)		(85,564)	-
Total accumulated depreciation/ amortization	(10,303,885)	(794,793)	(89,947)	(11,008,731)
Total capital assets, net	18,180,026			17,952,708
Governmental activities capital assets, net	<u>\$ 18,893,307</u>			<u>\$ 18,709,046</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital assets not being depreciated:				
Teacherage:				
Land	\$ 582,675	\$ -	\$ -	\$ 582,675
Construction-in-progress	27,757	14,634	42,391	-
Total capital assets not being depreciated	610,432	14,634	42,391	582,675
Capital assets being depreciated:				
Food Service:				
Furniture and equipment	42,133	-	-	42,133
Accumulated depreciation	(41,699)	(124)	-	(41,823)
Food service capital assets, net	434			310
Teacherage:				
Buildings and improvements	805,721	64,150	-	869,871
Furniture and equipment	27,215	-	-	27,215
Accumulated depreciation	(201,741)	(25,264)	-	(227,005)
Teacherage capital assets, net	631,195			670,081
Business-type activities capital assets, net	<u>\$ 1,242,061</u>			<u>\$ 1,253,066</u>

FREMONT COUNTY SCHOOL DISTRICT #2**NOTES TO BASIC FINANCIAL STATEMENTS**

For the Year Ended June 30, 2024

6. LONG-TERM LIABILITIES

Long-term liabilities activity of the District for the year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Primary Government:					
Governmental Activities:					
Compensated absences	\$ 81,430	\$ -	\$ 910	\$ 80,520	\$ 40,260
Subscriptions payable	330,471	-	330,471	-	-
Net pension liability	3,682,825	-	529,463	3,153,362	-
Total governmental activities	<u>4,094,726</u>	<u>-</u>	<u>860,844</u>	<u>3,233,882</u>	<u>40,260</u>
Business-type Activities:					
Net pension liability	121,852	-	45,027	76,825	-
Total business-type activities	<u>121,852</u>	<u>-</u>	<u>45,027</u>	<u>76,825</u>	<u>-</u>
Total primary government	<u>\$ 4,216,578</u>	<u>\$ -</u>	<u>\$ 905,871</u>	<u>\$ 3,310,707</u>	<u>\$ 40,260</u>

7. RISK MANAGEMENT

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 participant in the School Risk Retention Program (SRRP) managed by the Wyoming School Board Association (WSBA) for property insurance, general liability insurance, professional insurance and vehicle insurance. The coverage under each type of insurance policy varies in amounts and deductibles. The District has not had significant settlements exceeding insurance coverage in any of the past three fiscal years. All risk management activities are accounted for in the General Fund.

Policy limits include approximately \$150,000,000 for real and personal property aggregate; \$5,000,000 for rental property; \$24,000,000 flood annual aggregate; \$2,000,000 auto liability; \$1,305,000 criminal acts aggregate; \$2,000,000 pollution clean-up aggregate; and \$2,000,000 for general liability.

The District also participates in a worker's compensation program and an unemployment compensation program, both administered by the Wyoming Department of Workforce Services. The District does not believe any significant claims exist or would be required to be accrued.

8. INTER-FUND BALANCES AND ACTIVITIES

At June 30, 2024, inter-fund receivables and payables were as follows:

	Due from Other funds	Due to Other Funds
Governmental Activities:		
General fund	\$ 359,315	\$ 5,717
Grant programs fund	-	358,519
Nonmajor funds	5,382	461
	<u>\$ 364,697</u>	<u>\$ 364,697</u>

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

8. INTER-FUND BALANCES AND ACTIVITIES (Continued)

These inter-fund receivables and payables resulted from the time lag between the dates that inter-fund goods and services are provided or expenditures requiring reimbursement occur, and dates settlement payments between funds are made.

Transfers to and from other funds during the year ended June 30, 2024 were as follows:

	Transfers from Other Funds	Transfers to Other Funds
Governmental Activities:		
General fund	\$ -	\$ 100,000
Capital projects fund	-	14,306
	-	114,306
Business-type Activities:		
Food services fund	100,000	-
Teacherage fund	14,306	-
	114,306	-
	<u>\$ 114,306</u>	<u>\$ 114,306</u>

Transfers are used to move revenue from one fund to another, wherein the fund required to collect the monies, transfers cash to the fund that statute or budget requires them to be expended. In addition, unrestricted revenues collected in the general fund may be transferred to finance various programs accounted for in other funds in accordance with budgetary authorizations.

During the year ended June 30, 2024, the general fund made the following transfers:

- \$100,000 to the food services fund for general operation support.

During the year ended June 30, 2024, the capital projects fund incurred \$14,306 of capital outlays for the teacherage fund, which were recorded as capital contributions/transfers to the teacherage fund.

9. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM

Plan Description

The District employees participate in the Wyoming Retirement System (WRS or the Plan), which is a multiple employer cost sharing defined benefit plan. Current accounting standards require the District to recognize a liability for its proportionate share of the net pension liability. The District's liability is required to be determined on a basis that is consistent with the manner in which contributions to the plan are determined. The District derived their portion of the net pension liability by applying the actual contribution as a percentage of total contributions to the Plan.

The District reports its share of the net pension liability, along with certain related deferred inflows and deferred outflows, on the Statement of Net Position, and the related current year expense is reported in the Statement of Activities. The District also presents two schedules related to pensions in the required supplementary information section of this report, including the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of Contributions.

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

9. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Significant Accounting Policies

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

Actuarial Valuation

An actuarial valuation of the Plan's assets and net pension liability is performed annually. At the date of the most recent actuarial valuation, January 1, 2024, the fiduciary net position as a percentage of total pension liability increased from 75.47 percent on January 1, 2023 to 80.19 percent on January 1, 2024. The net pension liability as a percentage of covered employee payroll decreased from 151.36 percent to 120.86 percent as of January 1, 2023 and 2024, respectively. The net pension liability was \$2.27 billion as of January 1, 2024 compared to \$2.73 billion as of January 1, 2023. This is a decrease from the prior year.

Determination of Tier 1 versus Tier 2 Employees

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

Vesting

Participants are vested within the Plan after four years of service constituted by 48 months of service.

Contributions

As a condition of participation in the Plan, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by Wyoming State Statute and specified by the WRS Board. Contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. The contribution rate for fiscal year 2024 was 18.62 percent.

Benefits

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

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

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

9. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

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

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

Actuarial Assumptions

An actuarial valuation of each WRS defined benefit plan is performed annually. The funded status of each plan is shown in the Schedules of Funding Progress, which is located in the Actuarial section of the WRS ACFR. It is important to note that in November 2021 and also in February 2022, the WRS Board changed the assumptions used by the actuary to value the plans. The new assumptions are reflected in the valuation results and have been incorporated into the District's proportionate share of the net pension liability. 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.

For all plans except the Paid Firemen's Pension Plan A, beginning July 1, 2012 all future COLA's must be granted by the State Legislators. In addition, the WRS board cannot recommend the COLA unless the plan is considered actuarially sound and the unfunded liability must not drop below 100% after the award of the COLA.

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

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. For each major asset class that is included in the Plan's target asset allocation as of January 1, 2023 the best estimates are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Return	Arithmetic Real Return
Tactical 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 markets	10.50%	5.97%	7.48%
Total	100.00%	5.39%	6.61%

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

9. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

Discount Rate

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) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on pension plan investments is 6.80% and the municipal bond rate is 3.77%, which is based upon fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's 20-Year Municipal GO AA Index as of December 31, 2023.

The projection of cash flows used to determine the rate assumed that plan member contributions and employer contributions will be made at the current contribution rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2024, the District reported a total liability of \$3,230,187 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, and taking into consideration information from the recent experience study.

The schedule below shows the District's proportionate share of the net pension liability at 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.

	Net Pension liability at June 30, 2024	Proportion at December 31, 2023	Increase (decrease) from December 31, 2022
Public Employees' Pension Plan:			
FCSD#2	<u>\$ 3,230,187</u>	0.142%	0.003%

FREMONT COUNTY SCHOOL DISTRICT #2

NOTES TO BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2024

9. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	Business-Type Activities
Non-cash pension expense (revenue)	<u>\$ (114,422)</u>	<u>\$ (29,344)</u>
Deferred outflows of resources		
Net difference between expected and actual earning on pension plan investments	\$ 60,924	\$ 1,483
Change of assumptions	32,368	789
Contributions subsequent to the measurement date	273,649	6,668
Total deferred outflows of resources	<u>\$ 366,942</u>	<u>\$ 8,940</u>
Deferred inflows of resources		
Difference between expected an actual experience	\$ 13,775	\$ 336
Net difference between projected and actual earnings on pension plan investments	111,778	2,723
Total deferred inflows of resources	<u>\$ 125,553</u>	<u>\$ 3,059</u>

The District reported \$280,317 as deferred outflows of resources related to the pension resulting from the District's contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized in pension expense as follows:

	Public Employee Pension Plan	
	Deferred Outflows	Deferred Inflows
<u>Year ended December 31,</u>	<u>of Resources</u>	<u>of Resources</u>
2024	\$ 57,311	\$ (129,121)
2025	23,735	(45,049)
2026	14,519	203,705
2027	-	(158,147)
	<u>\$ 95,565</u>	<u>\$ (128,612)</u>

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

9. PARTICIPATION IN THE WYOMING RETIREMENT SYSTEM (Continued)

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

The following table sets forth the District's proportionate share of the net pension liability calculated using the discount rate of 6.8 percent along with what it would be using one percentage point higher and lower than the current rate:

	<u>1% Decrease</u> <u>(5.80 percent)</u>	<u>Discount Rate</u> <u>(6.80 percent)</u>	<u>1% Increase</u> <u>(7.80 percent)</u>
Proportionate share of net pension liability	\$ 5,129,642	\$ 3,230,187	\$ 1,656,112

Other Detailed Information

For more detailed information regarding the Plan see the separately issued 2023 Wyoming Retirement System Annual Comprehensive Financial Report which is available at <https://retirement.wyo.gov/about/reports>.

10. COMMITMENTS AND CONTINGENCIES

Grants

The District receives various Federal and State grants for specific purposes that are subject to review and audit by grantor agencies. This grant funding is consistent from year to year, and management believes any disallowances due to such reviews or audits, if any, would not have a material adverse effect on the overall financial position of the District at June 30, 2024.

Litigation

The District is contingently liable with respect to lawsuits and claims in the ordinary course of its operations. The financial statements do not include provisions for loss contingencies that may result from these proceedings. While the outcome of any proceedings cannot be predicted, due to insurance coverage maintained by the District relating to judgements, the District does not believe that the settlement of such contingencies would have a materially adverse effect on the overall financial position of the District at June 30, 2024.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 2, 2024, the date the financial statements were available to be issued, and there were no matters that materially affect the carrying amounts of assets, liabilities, and fund balance as of June 30, 2024.

REQUIRED SUPPLEMENTAL INFORMATION

FREMONT COUNTY SCHOOL DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual - Budgetary Basis	Variance from Final Budget
<u>REVENUES</u>				
Taxes	\$ 1,954,106	\$ 1,954,106	\$ 2,363,240	\$ 409,134
Intergovernmental revenues	2,375,189	2,375,189	2,525,617	150,428
Interest	5,500	5,500	36,733	31,233
Miscellaneous	16,650	16,650	6,928	(9,722)
Total revenues	<u>4,351,445</u>	<u>4,351,445</u>	<u>4,932,518</u>	<u>581,073</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	2,620,325	2,549,164	2,458,932	(90,232)
Instructional support	683,638	606,696	518,057	(88,639)
General support	2,328,565	2,192,158	1,975,149	(217,009)
Total expenditures	<u>5,632,528</u>	<u>5,348,018</u>	<u>4,952,138</u>	<u>(395,880)</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>(1,281,083)</u>	<u>(996,573)</u>	<u>(19,620)</u>	<u>185,193</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)	<u>(271,796)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(271,796)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,552,879)</u>	<u>\$ (1,096,573)</u>	<u>\$ (119,620)</u>	<u>\$ 185,193</u>
<u>BUDGETARY TO GAAP REPORTING RECONCILIATION</u>				
Net change in fund balance - budgetary basis			\$ (119,620)	
Revenue accruals			25,416	
Expenditure accruals			<u>(37,227)</u>	
Net change in fund balance - GAAP basis			<u>\$ (131,431)</u>	

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

FREMONT COUNTY SCHOOL DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GRANT PROGRAMS FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual - Budgetary Basis	Variance from Final Budget
<u>REVENUES</u>				
Intergovernmental revenues	\$ 1,791,155	\$ 1,791,155	\$ 983,752	\$ (807,403)
Contributions	-	-	2,200	2,200
Interest	500	500	1,089	589
Total revenues	<u>1,791,655</u>	<u>1,791,655</u>	<u>987,041</u>	<u>(804,614)</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	-	833,129	878,286	45,157
Instructional support	-	80,717	157,080	76,363
General support	1,891,655	811,106	167,923	(643,183)
Facilities acquisition and construction	-	166,700	166,700	-
Total expenditures	<u>1,891,655</u>	<u>1,891,652</u>	<u>1,369,989</u>	<u>(521,663)</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>(100,000)</u>	<u>(99,997)</u>	<u>(382,948)</u>	<u>(1,326,277)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Excess of revenues over (under)				
expenditures and other sources (uses)	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ (382,948)</u>	<u>\$ (1,426,277)</u>
<u>BUDGETARY TO GAAP REPORTING RECONCILIATION</u>				
Net change in fund balance - budgetary basis			\$ (382,948)	
Revenue accruals			90,052	
Expenditure accruals			<u>(189,040)</u>	
Net change in fund balance - GAAP basis			<u>\$ (481,936)</u>	

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

FREMONT COUNTY SCHOOL DISTRICT #2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MAJOR MAINTENANCE FUND
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual - Budgetary Basis	Variance from Final Budget
<u>REVENUES</u>				
Intergovernmental revenues	\$ 288,008	\$ 288,008	\$ 360,606	\$ 72,598
Interest	500	500	50,081	49,581
Miscellaneous	-	-	1,225	1,225
Total revenues	<u>288,508</u>	<u>288,508</u>	<u>411,912</u>	<u>123,404</u>
<u>EXPENDITURES</u>				
Current:				
General support	700,000	1,400,000	296,463	(1,103,537)
Total expenditures	<u>700,000</u>	<u>1,400,000</u>	<u>296,463</u>	<u>(1,103,537)</u>
Excess (deficiency) of revenues				
Over (under) expenditures	<u>(411,492)</u>	<u>(1,111,492)</u>	<u>115,449</u>	<u>(980,133)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under)				
expenditures and other sources (uses)	<u>\$ (411,492)</u>	<u>\$ (1,111,492)</u>	<u>\$ 115,449</u>	<u>\$ (980,133)</u>
<u>BUDGETARY TO GAAP REPORTING RECONCILIATION</u>				
Net change in fund balance - budgetary basis			\$ 115,449	
Revenue accruals			-	
Expenditure accruals			15,141	
Net change in fund balance - GAAP basis			<u>\$ 130,590</u>	

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

FREMONT COUNTY SCHOOL DISTRICT #2
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
For the Last 10 Years Ended December 31

	District's Proportionate Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>Public Employee Pension Plan</u>					
December 31, 2014	0.133%	\$ 2,351,973	\$ 2,329,902	100.95%	79.08%
December 31, 2015	0.126%	\$ 2,926,163	\$ 2,198,742	133.08%	73.40%
December 31, 2016	0.119%	\$ 2,877,646	\$ 2,051,639	140.26%	73.42%
December 31, 2017	0.117%	\$ 2,670,911	\$ 2,047,437	130.45%	76.35%
December 31, 2018	0.116%	\$ 3,533,543	\$ 2,015,080	175.35%	69.17%
December 31, 2019	0.123%	\$ 2,881,709	\$ 2,180,279	132.17%	76.83%
December 31, 2020	0.129%	\$ 2,805,397	\$ 2,351,741	119.29%	79.24%
December 31, 2021	0.132%	\$ 2,017,801	\$ 2,411,866	83.66%	86.03%
December 31, 2022	0.139%	\$ 3,804,677	\$ 2,615,141	145.49%	75.47%
December 31, 2023	0.142%	\$ 3,230,187	\$ 2,814,125	114.78%	80.19%

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

FREMONT COUNTY SCHOOL DISTRICT #2
SCHEDULE OF CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
For the Last 10 Years Ended December 31

	Contractually Required Contributions	Actual Employer Contributions	Contributions Deficiency (Excess)	District's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
<u>Public Employee Pension Plan</u>					
December 31, 2014	\$ 369,756	\$ 369,756	\$ -	\$ 2,329,902	15.87%
December 31, 2015	\$ 365,695	\$ 365,695	\$ -	\$ 2,198,742	16.63%
December 31, 2016	\$ 340,982	\$ 340,982	\$ -	\$ 2,051,639	16.62%
December 31, 2017	\$ 340,284	\$ 340,284	\$ -	\$ 2,047,437	16.62%
December 31, 2018	\$ 338,325	\$ 338,325	\$ -	\$ 2,015,080	16.79%
December 31, 2019	\$ 378,974	\$ 378,974	\$ -	\$ 2,180,279	17.38%
December 31, 2020	\$ 420,227	\$ 420,227	\$ -	\$ 2,351,741	17.87%
December 31, 2021	\$ 443,062	\$ 443,062	\$ -	\$ 2,411,866	18.37%
December 31, 2022	\$ 486,940	\$ 486,940	\$ -	\$ 2,615,141	18.62%
December 31, 2023	\$ 523,991	\$ 523,991	\$ -	\$ 2,814,125	18.62%

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

SUPPLEMENTAL INFORMATION

FREMONT COUNTY SCHOOL DISTRICT #2
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
As of June 30, 2024

	<u>Debt Service</u>	<u>Student Activities</u>	<u>Adult Education</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 60,442	\$ 153,067	\$ 213,509
Cash held by County Treasurer	30,258	-	-	30,258
Due from other funds	5,337	-	45	5,382
Property taxes receivable	-	-	3,911	3,911
Other receivables	-	390	-	390
Prepaid expenses	-	-	-	-
Total assets	<u>\$ 35,595</u>	<u>\$ 60,832</u>	<u>\$ 157,023</u>	<u>\$ 253,450</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 390	\$ 2,736	\$ 3,126
Accrued wages payable	-	699	594	1,293
Due to other funds	-	461	-	461
Total liabilities	<u>-</u>	<u>1,550</u>	<u>3,330</u>	<u>4,880</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable property taxes	<u>-</u>	<u>-</u>	<u>3,911</u>	<u>3,911</u>
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted for:				
Debt service	35,595	-	-	35,595
Student activities	-	59,282	-	59,282
Adult education	-	-	149,782	149,782
Total fund balances	<u>35,595</u>	<u>59,282</u>	<u>149,782</u>	<u>244,659</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,595</u>	<u>\$ 60,832</u>	<u>\$ 157,023</u>	<u>\$ 253,450</u>

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

FREMONT COUNTY SCHOOL DISTRICT #2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

	Debt Service	Student Activities	Adult Education	Total Nonmajor Governmental Funds
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ 139,228	\$ 139,228
Intergovernmental	-	-	-	-
Contributions	-	23,903	2,581	26,484
Interest	985	988	1,655	3,628
Miscellaneous	-	-	30,416	30,416
Total revenues	<u>985</u>	<u>24,891</u>	<u>173,880</u>	<u>199,756</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	-	-	244,294	244,294
Instructional support	-	-	-	-
General support	-	-	-	-
Non-instructional services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Other sources	-	19,838	-	19,838
Capital outlays	-	-	3,011	3,011
Total expenditures	<u>-</u>	<u>19,838</u>	<u>247,305</u>	<u>267,143</u>
Excess of revenues over (under) expenditures	985	5,053	(73,425)	(67,387)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in (out), net	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	985	5,053	(73,425)	(67,387)
Fund balances - beginning	<u>34,610</u>	<u>54,229</u>	<u>223,207</u>	<u>312,046</u>
Fund balances - ending	<u>\$ 35,595</u>	<u>\$ 59,282</u>	<u>\$ 149,782</u>	<u>\$ 244,659</u>

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

FREMONT COUNTY SCHOOL DISTRICT #2
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

Program Title	Federal ALN	Grantor's Number	Expenditures
<u>U.S. Department of Education</u>			
Passed through State of Wyoming Department of Education			
Title IA			
Grants to Local Education Agencies	84.010A	S010A220050	\$ 132,735
Grants to Local Education Agencies	84.010A	S010A230050	157,625
Total Title IA Cluster			<u>\$ 290,360</u>
Title IIA			
Teacher and Principal Training	84.367A	S367A210048	12,020
Teacher and Principal Training	84.367A	S367A220048	36,148
			<u>48,168</u>
Special Education Cluster:			
Special Education Grants to State	84.027A	H027A220014	51,712
Special Education Grants to State	84.027A	H027A230014	3,456
Special Education Preschool Grants	84.173A	H173A220076	968
Total Special Education Cluster			<u>56,136</u>
Title IVA			
Student Support and Academic Enrichment	84.424A	S424A220052	32,199
			<u>32,199</u>
Education Stabilization Fund	84.425U *	S425U210051	969,108
Education Stabilization Fund	84.425U *	ARPESSER	106,784
			<u>1,075,892</u>
Subtotal Department of Education			<u>1,502,755</u>
<u>U.S. Department of Agriculture</u>			
Passed through State of Wyoming Department of Education			
Child Nutrition Cluster:			
School Breakfast Program	10.553		8,840
National School Lunch Program	10.555		41,483
Food Distribution Program	10.555		6,912
Child Nutrition Discretionary Grants	10.555		8,659
Total Child Nutrition Cluster			<u>65,894</u>
Child and Adult Care Food Program (CACFP)	10.558		10,220
			<u>10,220</u>
Subtotal Department of Agriculture			<u>76,114</u>
Total Federal Funds Expended			<u>\$ 1,578,869</u>

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

FREMONT COUNTY SCHOOL DISTRICT #2
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2024

1. BASIS FOR PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes federal grant activity of Fremont County School District #2. The information in the schedule is presented in accordance with requirements of Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Federal program expenditures included in the SEFA are presented on the modified accrual basis of accounting as described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The District has approved a indirect cost rate with the Wyoming Department of Education for 7.53 percent on restricted programs and 12.04 percent unrestricted programs. The District has not elected to utilize the 10 percent de minimis indirect cost rate.

The District did not pass through any funds to subrecipients.

There were no loans/loan guarantees.

Items with an asterisk (*) are major programs.

Non-monetary assistance is reported in the SEFA at fair market value of commodities received and disbursed.

OTHER REPORTS

**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

To the School Board of Trustees
Fremont County School District #2
Dubois, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fremont County School District #2 (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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.

Carver Florek & James, CPAs

Layton, Utah
December 2, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the School Board of Trustees
Fremont County School District #2
Dubois, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fremont County School District #2's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Carver Flock & James, CPAs

Layton, Utah
December 2, 2024

FREMONT COUNTY SCHOOL DISTRICT #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SECTION I – Summary of the Auditors’ Results:

Financial Statements

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

Internal control over financial reporting:

- Material weakness identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ No

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ☐ Yes ☒ No
- Significant deficiency identified? ☐ Yes ☒ No

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

Any audit findings disclosed that are required
To be reported in accordance with 2 CFR 200.516(a)? ☐ Yes ☒ No

For the year ended June 30, 2024, the District had one major program:

- Education Stabilization Fund ALN 84.425

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

Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

FREMONT COUNTY SCHOOL DISTRICT #2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

SECTION II – GAGAS Financial Statement Findings – None noted

SECTION III – Federal Awards Findings – None noted

SECTION IV – Summary Schedule of Prior Year Findings – None noted