



# FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT

Member of Wyoming Solid Waste and Recycling Association (WSWRA)

P.O. Box 1400

Lander, WY 82520

telephone 307.332.7040

fax 307.332.5013

trashmatters.org

## MEETING AGENDA

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT

BOARD OF DIRECTORS – REGULAR MEETING

October 24, 2018 - 9:30 a.m.

### 1. PRELIMINARY ITEMS:

- a. Pledge of Allegiance
- b. Roll Call: Michael Adams, Michael Morgan, Steve Baumann, Gary Weisz, Michael McDonald, Rick Klapproth, Mark Moxley, Rob Dolcater, and Gina Clingerman
- c. Declaration of Quorum
- d. Approval of Agenda

### *ACTION REQUIRED*

- e. Public Comment / Communication from the Floor

### 2. CONSENT ITEMS:

- a. Approval of the Minutes:
  - i. Regular September 2018 Board Meeting
- b. Approval of the Accounts Payable – September 2018 Invoices
- c. Acceptance of Consultants and Agreement Reports
  - i. Trihydro Corporation
  - ii. Burns and McDonnell
  - iii. Eastern Shoshoni Tribe Solid Waste – *no report submitted*
- d. Acceptance of Staff Reports
  - i. Superintendent Report

### 3. EXECUTIVE SESSION – POTENTIAL LITIGATION

### 4. OTHER ITEMS OF BUSINESS:

- a. Lander Landfill – Excavation Project Bids (*Discussions and Formal Action*)
- b. Atlantic City Transfer Station – Volunteer Operations (*Discussions*)
- c. Accounts Receivable Proposed Write-Off to Bad Debt – Discussions (*Discussions and Formal Action*)
- d. Teton County – Animal Carcass Contingency Plan Disposal Request Continuation (*Discussions*)
- e. DM-T: FY 2017-18 Financial Audit Presentation (*Presentation and Formal Action*)

### 5. NEW BUSINESS

### 6. CALL FOR ADJOURNMENT

### 7. UPCOMING MEETING(S):

- a. The next Regularly Scheduled Meeting(s):
  - i. November 19, 2018, at 9:30 a.m.



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FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT

## Minutes of Regular Board Meeting

September 17, 2018

### 1. PRELIMINARY ITEMS:

a. – c. The regular meeting of the Fremont County Solid Waste Disposal District Board of Directors was held on the above date and called to order by CHAIRMAN MOXLEY at 9:30am. CHAIRMAN MOXLEY then led the Pledge of Allegiance and declared a quorum of the Board with the following people in attendance:

<u>Board Members:</u>	Gary Weisz, Mark Moxley, Rob Dolcater, Steve Baumann, Mike Morgan, Rick Klaproth, and Mike Adams.
<u>Excused Member(s):</u>	Gina Clingerman, and Rob Dolcater
<u>Unexcused Member(s):</u>	Not Applicable
<u>Commissioner Liaison:</u>	Jennifer Mccarty
<u>Community Liaisons:</u>	None Present
<u>Attorney:</u>	Rick Sollars (Western Law & Assoc.)
<u>Staff:</u>	Andrew Frey (Superintendent) & Linda Kummer (Bookkeeper)
<u>Consultant(s):</u>	Travis Evans & Jeff Young & Ken Schreuder (Trihydro)
<u>Guest(s):</u>	None Present

### d. **Approval of Agenda**

VICE-CHAIRMAN ADAMS made a motion to approve the agenda as presented. STEVE BAUMANN seconded the motion. **MOTION CARRIED**

### e. **Public Comment/Communication from the Floor**

CHAIRMAN MOXLEY opened the floor to public comment. Hearing no comment, the public hearing was closed.

### 2. CONSENT ITEMS:

#### a. **Approval of Prior Meeting Minutes**

i. August 2018, Board Meeting

#### b. **Approval of Accounts Payable – August 2018 Invoices**

#### c. **Acceptance of Consultants Reports:**

- i. Trihydro Corporation – Progress Report
- ii. Burns and McDonnell – Progress Report
- iii. Eastern Shoshone Tribe Solid Waste – No Report Submitted

#### d. **Acceptance of Staff Reports:**

i. Superintendent Report

**3. OTHER ITEMS OF BUSINESS:**

**a. Board Member Resignation Notice (*Discussions*)**

Superintendent Frey informed the Board that Board Member Mike McDonald contacted the office to provide notice that he was having to resign from the Board due to health reasons. The County Commission has elected not to fill the vacancy until the end of the year as this particular position had the term ending at the end of the year.

**b. Trihydro – Ken Schreuder Retirement and Primary Contact Change (*Discussions*)**

Ken Schreuder informed the Board that he was retiring from Trihydro at the end of September 2018. The new primary contact would be Jeff Young from their Lander Office. Travis Evans will be providing additional solid waste support as needed.

**Discussion(s):** The Board thanked Ken for the exceptional service provided over the past eight years.

**c. Trihydro – Change Order Request: time only (*Discussions and formal action*)**

Superintendent Frey presented to the Board a change order submitted by Trihydro for the Lander Landfill Lifetime Operating Permit task order to allow additional time for additional geotechnical work requested by the District. The time extension would change the completion date to December 31, 2018.

STEVE BAUMANN made a motion to approve the change order as presented. GARY WEISZ seconded the motion. **MOTION CARRIED**

**d. Lander Landfill UST Project – Change Order Request (*Discussions and Formal Action*)**

Superintendent Frey presented to the Board a change order request for the Lander Landfill Underground Storage Tank Project associated with additional work necessary for the installation and mounting of the pump system. The change order amount requested was \$2,700.65.

MIKE MORGAN made a motion to approve the Patrick Construction Inc. change order request in the amount of \$2,700.65. STEVE BAUMANN seconded the motion. **MOTION CARRIED**

**e. Lander Landfill – South Drainage Realignment Work (*Discussions*)**

Superintendent Frey discussed with the Board the idea of developing a change order against the Underground Storage Tank project for additional work that is connected with the stormwater management. The additional work would be in an amount ranging from \$120,000 to \$150,000 with a soil unit rate of \$2.69 per cubic yard for unclassified excavation and grading.

**Discussion(s):** (1.) MIKE MORGAN confirmed that all project bidders also provided earthwork unit rates. (2.) Attorney Rick Sollars clarified that any additional work included in this fashion must be directly connected the primary purpose for the original project. (3.) SECRETARY/TREASURER KLAPROTH felt the price was reasonable, that the contractor was already onsite and ready to complete the work in a timely fashion. (4.) MIKE MORGAN reminded everyone that the bid laws are not intended to be convenient, instead to ensure consistent treatment and opportunity. (5.) The Board suggested that the project be bid out to ensure consistent equal treatment.

**f. William H. Smith – Task Order Request (*Discussions*)**

Superintendent Frey presented to the Board a task order request submitted by William H. Smith of Lander, Wyoming for geotechnical and surveying/staking work in the amount of \$10,000. This task order was requested by the District in an attempt to better control surveying/staking work since this firm is often used by other engineering firms with the District paying the marked-up rates. This also provides for local geotechnical and lab work. Superintendent Frey recommended approving the task order request.

MIKE MORGAN made a motion to approve the William H. Smith task order as presented. GARY WEISZ seconded the motion. **MOTION CARRIED**

**g. Teton County – Animal Carcass Contingency Plan Disposal Request (*Discussions*)**

Superintendent Frey informed the Board that the director from the Teton County Solid Waste program reached out to the District to explore the option of having the District serve as their contingency plan facility in the event they are unable to transfer their animal carcass waste across the state line into Idaho. Teton County has never had a positive test for Chronic Wasting Disease or other known animal diseases, allowing them to transfer their animal carcass waste across the state line. With the given natural travel route across Wyoming from east to west, they feel they will soon enough have the disease in their county and need to ensure they have the ability to dispose of this waste stream at a permitted facility.

**Discussion(s):** (1.) Teton County proposed staging/stockpiling the animal carcasses in a reefer style roll-off container, essentially freezing the carcasses and delivering a full roll-off a few times throughout the year. (2.) The estimated volume of animal carcasses is around 30 ton per year. (3.) The Board requested to have the Superintendent develop additional information and research potential risks, hazards, and benefits further and present the data to the Board at a later date.

**h. Shoshoni Downtown Demolition Project – MOA (*Discussions and Formal Action*)**

Superintendent Frey discussed with the Board the Memorandum of Agreement that had originally been developed by the District's Attorney and subsequently modified by the County Attorney and potentially further by the City of Riverton. The District Board still needed to take formal action to adopt.

**Discussion(s):** (1.) The County's mods were to do with operators, (2.) The City of Riverton has concerns with indemnity, (3.) Concern with "pollutants" in insurance liabilities, (4.) Governmental Claims Act limitations, (5.) PPE.

STEVE BAUMANN made a motion to approve the final version of the Memorandum of Agreement and provide authorization for the District Chairman to sign. MIKE MORGAN seconded the motion. **MOTION CARRIED**

**4. NEW BUSINESS**

- a. Wyoming Life Resource Center** – Superintendent Frey discussed with the Board the recent activities with the WLRC asbestos disposal needs. The Executive Board and he met and discussed rates to ensure their State project could continue on. The rate was set at \$200 per ton, due primarily to the amount of airspace consumed per pound of asbestos containing materials delivered as they were required to be covered with 12" of soil, not processed, and ultimately not compacted until covered with the soils. Further, staff and

equipment had to be committed to the materials since they had to be handled in an area completely segregated from the general public.

**5. CALL FOR ADJOURNMENT**

GARY WEISZ made a motion to adjourn the meeting at 10:45am. MIKE MORGAN seconded the motion.

***MOTION CARRIED***

**6. UPCOMING MEETING(S):**

**a. The Next Regularly Scheduled Meeting:**

- i. October 15, 2018, at 9:30am.

**b. The Next Special Meeting(s):**

- i. October 24, 2018, at 9:30am (Financial Audit Report Presentation)

Respectfully submitted by,

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Andrew Frey, P.E.  
Superintendent of Operations  
Fremont County Solid Waste Disposal District

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Mark Moxley  
Board of Director's Chairman  
Fremont County Solid Waste Disposal District

Fremont County Solid Waste Disposal District  
**Balance Sheet**  
 As of September 30, 2018

	<u>Sep 30, 18</u>	<u>Sep 30, 17</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Checking/Savings</b>		
122105 · Petty Cash	300.00	300.00
122106 · Transfer Station Cash	300.00	200.00
122107 · Scale House Cash	1,600.00	2,600.00
123110 · CB&T Checking	193,497.52	94,152.07
123115 · Edward Jones Investments	5,126,481.50	3,314,592.48
123120 · Bank of Jackson Hole	29,517.52	0.00
123130 · WYO STAR	7,858,315.51	7,271,819.31
123136 · Wells Fargo	0.00	182,296.67
124135 · U.S. Bank	390,995.28	643,818.02
<b>Total Checking/Savings</b>	<u>13,601,007.33</u>	<u>11,509,778.55</u>
<b>Accounts Receivable</b>	471,416.31	207,826.00
<b>Other Current Assets</b>	6,202.07	155,687.85
<b>Total Current Assets</b>	<u>14,078,625.71</u>	<u>11,873,292.40</u>
<b>TOTAL ASSETS</b>	<u><b>14,078,625.71</b></u>	<u><b>11,873,292.40</b></u>
<b>LIABILITIES &amp; EQUITY</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>	94,597.96	111,248.56
<b>Total Liabilities</b>	<u>94,597.96</u>	<u>111,248.56</u>
<b>Equity</b>		
380190 · Fund Balance - Undesignat...	-708,684.02	-47,746.26
380860 · Cash Reserve	750,000.00	750,000.00
380970 · Closure/Post-Closure Rese...	13,862,996.00	10,973,496.00
<b>Net Income</b>	79,715.77	86,294.10
<b>Total Equity</b>	<u>13,984,027.75</u>	<u>11,762,043.84</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>14,078,625.71</b></u>	<u><b>11,873,292.40</b></u>



## memorandum

**To:** Andy Frey, P.E., Superintendent, Fremont County SWDD  
**From:** Jeff Young, P.E.  
**cc:** Fremont County SWDD Board  
**Date:** October 8, 2018  
**Re:** Project Updates for October 15, 2018, Board Meeting

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The following information is provided to update the Board of the Fremont County Solid Waste Disposal District (District) regarding the status of various projects that are being managed by Trihydro Corporation (Trihydro), and associated activities associated with the Wyoming Department of Environmental Quality (DEQ), Solid and Hazardous Waste Division (SHWD), Water Quality Division (WQD), and Air Quality Division (AQD). The information provided is generally limited to activity during the previous month.

### **Sand Draw, Shoshoni, Lander, and Dubois Landfills – FY 2018-2019 Monitoring (Task Order 10-023 / Trihydro Project 09Y-008-004)**

The fall semiannual groundwater monitoring events for the Dubois, Lander, Sand Draw, and Shoshoni Landfills are scheduled for the week of October 15, 2018. Efforts are underway to coordinate these events.

The WDEQ/AQD determined that the Title V operating permit renewal application for the Sand Draw Landfill was complete on December 4, 2017, and provided a “permit shield.” The permit shield means that the District will not be considered to be in violation if the WDEQ/AQD doesn’t complete its technical review and issue a draft permit before the current permit expires on June 6, 2018. We are still waiting for a response from the WDEQ/AQD regarding the status of the renewal application.

### **Technical Assistance (Task Order 10-024 / Trihydro Project 09Y-005-005)**

Technical assistance activities during the previous month included:

- A project status report was prepared for the monthly Board meeting.
- Final construction plans were provided to Andy Frey on October 4, 2018 with suggestions after FCSWDD review for the realignment of the southern drainage and the southeast landfill excavation at Lander.

### **Sand Draw Landfill – Water Balance Cover and Lifetime Operating Permit (Task Order 10-019 / Trihydro Project 09Y-001-005)**

The final lifetime operating permit was issued on September 4, 2018. The project was completed approximately \$3,466 under budget.



Andy Frey, FCSWDD  
October 5, 2018  
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### **Lander Landfill – Water Balance Cover and Lifetime Operating Permit (Task Order 10-020 / Trihydro Project 09Y-009-002)**

The final lifetime operating permit was issued on September 4, 2018. The project was completed approximately \$6,347 under budget.

The completion date for this project was September 30, 2018. Change Order No. 4 was issued last month to extend the completion date for this project and conduct additional soil sampling, analysis, and reporting for the off-site borrow area (No. 4), located adjacent to the southern side of the landfill, on federal land managed by the U.S. Army Corps of Engineer. Planning and coordination for the additional soil sampling is currently underway. The remaining budget is adequate to complete the additional scope of work, so no additional funding is requested.

### **Shoshoni Landfill – Water Balance Cover and Closure Permit (Task Order 10-021 / Trihydro Project 09Y-004-002)**

Trihydro provided final copies of the approved closure permit application to the District and the WDEQ/SHWD. Once the final public notice and comment requirements have been completed, a final permit should be issued. Trihydro is also proceeding with the final project task, which includes preparation of a draft project manual.

It is our understanding that the demolition project in Shoshoni is expected to be completed this fall. Once that demolition project is completed, another site survey will be necessary to determine how much unused disposal capacity remains, and whether changes to the permitted design will be necessary. Potential changes are expected to be relatively minor, and should be able to be completed and approved in time for the project to be released for bid in the first quarter of 2019.

The closure will require coverage under the State's Large Construction General Permit, which is part of Wyoming's Pollution Discharge Elimination System Program (WYPDES). The current Stormwater Pollution Prevent Plan (SWPPP) was prepared in 2003 for operations, and is out-of-date and inadequate for closure. The Superintendent has directed Trihydro to proceed with preparing a new SWPPP for closure as an out-of-scope item under the current Task Order, using a portion of the unspent project budget. Preparation of the SWPP is currently under way.

### **Additional Information**

The WDEQ/SHWD has proposed updated changes to Solid Waste Chapters 4 (Construction & Demolition Landfills) and 6 (Transfer, Treatment, Storage Facilities). Trihydro reviewed previous drafts, discussed potential implications for the District with the Superintendent, and provided comments to the WDEQ/SHWD. The current version of the proposed changes will be presented to the Water & Waste Advisory Board (W&WAB) on September 27, 2018, in Casper. Once they are approved by the W&WAB, they will still need to be reviewed and approved by the Environmental Quality Council (EQC) and the Governor before they can be filed with the Secretary of State and become effective (mid-2019?).





Andy Frey, FCSWDD  
October 5, 2018  
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Please let us know if you have any questions or need additional information. You can call me on my cell phone (307-851-4674), send me an email ([jyoung@trihydro.com](mailto:jyoung@trihydro.com)), or stop by our office at 388 Main Street, Suite C, in Lander.

Attachment:

- None

**END OF MEMORANDUM**

# Memorandum



Date: October 15, 2018  
To: Andy Frey, PE, Fremont County Solid Waste Disposal District  
From: Matt Evans, PE  
Subject: Progress Report – October, 2018

The following provides an update on work completed by Burns & McDonnell since the last Progress Report.

### *Capacity Audits*

The capacity audit reports have been completed and are being reviewed by the Superintendent. Once the reports have been reviewed and updated as needed, they will be Distributed to the Board in an upcoming Board Report.

### *Technical Engineering Assistance*

Burns & McDonnell completed progress reports, invoicing and project management related to the overall administration of the project as part of this task. No other technical engineering services were provided since the last progress report was submitted.

### *Capital Improvement Plan Modeling*

The 2018 capital improvement plan and budget review were completed and presented to the Board in June 2018. The 2019 plan and budget review will begin in the spring of 2019.

### *Leachate Management System Design, Bid Administration, and Construction Support*

Construction of the underground storage tank project is complete and operational. A construction documentation report of the project is being prepared.

Burns & McDonnell appreciates the opportunity to work with the District. If there are any questions regarding this progress report or work that is being completed, please do not hesitate to contact me at 952-656-3629 or [maevans@burnsmcd.com](mailto:maevans@burnsmcd.com) at your earliest convenience.

Fremont County Solid Waste Disposal District

**Superintendent Report**

October 24, 2018

**Office/Staff/Board/Inter-Government**

Office:

1. The calculated annual tonnages and cost per ton is as follows (calculated using revenues, expenses, and tonnages):
  - a. 2013 = \$139.96 & 31,472 total tons
  - b. 2014 = \$176.43 & 27,562 total tons
  - c. 2015 = \$99.44 & 31,890 total tons
  - d. 2016 = \$103.22 & 29,659 total tons
  - e. 2017 = \$102.26 & 33,483 total tons
  - f. 2018 = \$100.01 & 26,519 total tons (first three quarters of 2018)

Staff:

1. September 2018 – following the approval of the ***Safety Incentive Program*** in April 2015, and the implementation July 1, 2015, the Riverton Area staff (i.e. Riverton Transfer Station and the Sand Draw Landfill) has not had a single lost-time accident/incident → **3 years and three months**, and the Lander Area staff (i.e. Lander Landfill, Dubois Landfill, and the rural transfer stations) had one lost-time accident early on but has now made it **2 years and 8 months!!**
2. October 2018 – The Fremont County Sheriff's Department will be providing ALICE training. The date has been set for October 29, 2018, from 8:00am until 1:00pm.

Board:

1. March 2018 – The following represents the current list of ***Board Committees and Members***:
  - a. Recycling Committee: Mark Moxley, Gary Weisz, Rick Klapproth, and Mike Morgan.
  - b. Health Benefit and Wage Committee: Gina Clingerman, Rick Klapproth, Gary Weisz, and Mike Adams.
  - c. Rate Committee: Gina Clingerman, Rob Dolcater, Gary Weisz, and Mike McDonald.
  - d. Budget Committee: Mark Moxley, Rob Dolcater, Gary Weisz, and Mike McDonald.
  - e. WRIR Solid Waste Negotiations Committee: Mike Morgan, Mark Moxley, Gary Weisz, and Steve Baumann.

Inter-Government:

1. Bureau of Land Management:
  - a. June – October 2018 – We have been working with the BLM to review our old landfill sites near Hudson and near Atlantic City to clean the sites to their standards. All of the necessary work has been completed and we await a time to schedule an inspection with BLM staff.

2. State:
  - a. October 2018 – Shoshoni Grant Application (see below under “Sites”).
3. County: *No Updates*
4. Municipalities:
  - a. October 2018 – The Fremont County Association of Governments (**FCAG**) group (i.e. the Town of Shoshoni, City of Riverton, City of Lander, Town of Dubois, Town of Hudson, Town of Pavillion, and the County) have all signed the proposed MOU drafted by our attorney for the **Shoshoni Downtown Demolition project**. Demolition activities are scheduled to begin on October 9, 2018. Notice has been provided to the WDEQ-Air Quality Division. The current schedule to have the entire group begin hauling will be either October 22, 2018, or October 29, 2018.

### Regulatory/Engineering/Legal/General Contractors

#### Regulatory

1. WDEQ – Solid and Hazardous Waste Division:
  - a. **Shoshoni Landfill Closure Permit** – We received confirmation that the second (and final) round of reviews for the closure permit application has been approved. We have been working to complete the second round of public notice and submittals associated with finalizing the permit.
  - b. **Dubois Transfer Station Permit, Landfill Permit, and MSW Landfill Permits** – We have the final approved Operating Permit.
  - c. **Lander Landfill Permit** – We have the final approved Lifetime Operating Permit.
  - d. **Sand Draw Landfill Permit** – We have the final approved Lifetime Operating Permit.

#### Engineering

1. Burns and McDonnell:
  - a. **Capacity Audits**: The project is complete and we will be receiving the reports in time to include in the November 2018, Board Meeting packets.

Legal: *No Updates*

#### General Contractors:

1. **Wind River Indian Reservation – Solid Waste**:
  - a. June & July 2018 – The District Negotiating Committee has been meeting with the **Wind River Inter-Tribal Council** (previously known as the Joint Council) to discuss the solid waste agreement.
  - b. October 2018 – There has not been any communication from the Tribes, but anticipate contact soon.
  - c. September 2018 – Residents of the Crowheart area have been calling to notify our group that the site has not had the waste hauled for a few months and when they call to discuss the issue with the Eastern Shoshoni Tribe they are informed that there is no solid waste program.

## Sites/Operations/Equipment:

### Sites:

1. Atlantic City – July 2018, the modified **Community Volunteer Transfer Station Guidance Document** was provided to the Atlantic City community members interested.
  - a. October 2018 – We met with the primary volunteer group contact and reviewed the revised document. They felt comfortable with the document, signed it, and will be working to shadow our operator of the sites through the month of October and take over operations in November. There have been three citizens from that area that have expressed concern that there was no community meetings to present the proposed changes and that there may be a loss of the recycling program.
2. Shoshoni Landfill – February 26, 2018, the **grant application** was submitted to the State Land and Investment Board for review and consideration. The District will likely not hear anything back from SLIB until later in 2018.
  - a. May 2018 – Following discussions with Craig McOmie (WDEQ) we have submitted a letter to WDEQ & SLIB requesting that our grant application be withdrawn from the June 2018 review and placed back into the file for the next round of reviews. This decision was made since the programs are without funding currently, yet scheduled to receive additional legislative funding later in the year.
  - b. August 2018 – SLIB reached out to us and asked that we make a few adjustments to our grant application to accommodate their requirements. One item included a minor reduction in the amount requested to align with the original closure cost reported in 2014. The other requirement was to alter the resolution language for a loan.
  - c. September 2018 – Craig McOmie contacted us to provide notice that the next SLIB Board meeting is October 4, 2018, and that we should be in attendance to respond to any comments/questions. He went on to say that they are proposing a 50% match if the SLIB Board will support the approach.
  - d. October 4, 2018 – At the State Land Investment Board (SLIB) we provided testimony on our grant application and were awarded a 50% match on the closure costs up to \$673,000. This was the maximum that could have been awarded given the program's current financial situation.

### Operations:

1. **Lander Landfill Groundwater Collection System** Hauling:
  - a. 10/29/2017 – 11/30/2017: realized savings = approximately **\$7,500**.
  - b. 12/1/2017 – 12/31/2017: realized savings = approximately **\$9,000**.
  - c. 1/1/2018 – 1/31/2018: realized savings = approximately **\$7,000**.
  - d. 2/1/2018 – 2/28/2018: realized savings = approximately **\$7,000**.
  - e. 3/1/2018 – 3/31/2018: realized savings = approximately **\$7,500**.
  - f. 4/1/2018 – 4/30/2018: realized savings = approximately **\$7,500**.
  - g. 5/1/2018 – 5/31/2018: realized savings = approximately **\$7,000**.
  - h. 6/1/2018 – 6/30/2018: realized savings = approximately **\$6,000**.
  - i. 7/1/2018 – 7/31/2018: realized savings = approximately **\$7,500**.

- j. 8/1/2018 – 8/31/2018: realized savings = approximately **\$7,000**.
- k. 9/1/2018 – 9/30/2018: realized savings = approximately **\$6,500**.

Equipment:

- 1. October 2018 – The **Riverton Baler** will have its ejector ram removed and replaced to keep the system from any extended failures between October and November 2018. This baling system is the primary baler for all of the FCSWDD recycling materials.
- 2. October 2018 – The new WesternStar **semi-tractor** ordered last fiscal year was delivered and will be put into use once the inspection, licensing, and insuring process is completed.

Miscellaneous/Upcoming Work & Events/Work in Progress:

Miscellaneous:

- 1. October 2018 – Six different Science classes from the Lander Middle School received tours of the Lander Landfill with discussions of the application of science to our daily operations. This process has been in place for four years.
- 2. October 2018 – A unit rate price of \$1.00 per cubic yard was negotiated with Oftedal, the WYDOT contractor repairing the slides along the highways in the County.

Work in Progress:

- 1. October, 2018 – The demolition portion of the **Shoshoni Downtown Demolition** project was completed on October 11, 2018. The buildings are all knocked down and we are in the process of stockpiling the debris to allow for efficient loading and hauling of the materials to the Shoshoni Landfill. The current proposed schedule to the entire governmental groups is to begin hauling activities October 22, 2018. As of the drafting of this report (i.e. 10/12/2018) we continue to wait to hear back from the groups on their availability.

We are very thankful for the assistance of the Town of Shoshoni staff, the Shoshoni police department staff, the Shoshoni WYDOT staff, Rocky Mountain Power, and Black Hills Energy during the demolition work.

- 2. March 2018 – An onsite meeting was held with a Power Systems Specialist from Wyoming Machinery to **discuss the idea of housing an onsite generator at the Riverton Transfer Station to provide the necessary power for the baling system.**
  - a. May 2018 – **Black Hills Energy** confirmed availability of adequate volumes of natural gas and have offered to install a gas line at no cost to the District once approved.
  - b. July 2018 – **Wyoming Machinery** refined their projected operating expenses associated with running a natural gas generator as the primary power source. It was concluded under a primary source option the hourly running cost would be \$3.57 per hour, or \$31,300 per year (at 24-hour per day operation). This cost does not include the purchase price of approximately \$180,000 or the purchase of natural gas. Under this model the generator system does not make economical sense. We will be evaluating an option of utilizing a generator system during secondary demand as that charge is what significantly drives up the cost.
  - c. October 2018 – We continue to wait for the power company to provide the necessary 2-minute reading incremental report for further review...

3. August 2018 – Representative Lloyd Larsen reached out to us to get some assistance with the non-friable asbestos that has been encountered during the demolition process of the **Wyoming Life Resource Center**. We have been working with the contractors and the WDEQ-SHWD to receive authorization to receive the ACM and set up a standard operating procedure to accept the waste.
  - a. September 2018 – the volumes of friable and non-friable asbestos have far exceeded the predicted volumes at the WLRC. We have been evaluating the airspace consumption (i.e. surveying volume consumption and comparing against scale data) to better understand the financial impacts. After meeting with the Executive Committee to discuss the options, it has been established that the rate for these materials will be at \$200 per ton and the materials will be directed to the Sand Draw Landfill due to the required volume of soils necessary to cover the ACM at the end of each day. The State accepted the proposal and the ACM waste has been directed there since 9/11/2018. Subsequent meetings have taken place with Representative Lloyd Larson, the multiple contractors at the WLRC, and with various representatives of the WDEQ.
  - b. October 2018 – The District commented on a proposed burial plan on the State lands adjacent to the landfill associated with the burial of asbestos containing materials, lead based paint, and contaminated soils without developing a groundwater monitoring system and benchmark readings. The project has run into multiple issues with large quantities of asbestos containing material waste, lead based paint waste, and contaminated soils waste that is driving up the cost of the project.

Thank you



Andrew Frey, P.E.  
Superintendent of Operations  
Fremont County Solid Waste Disposal District

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
ACCOUNTS RECEIVABLE PROPOSED WRITE-OFF TO BAD DEBTS**

All accounts will still be active with our contract collections provider .  
 Accounts that have been presented in small claims court have a judgement which has been provided to the collections provider.  
 Current Policy: All charge accounts require a formal application and approval by the Superintendent.  
 Letters are sent to accounts 61-90 days past due.  
 Accounts 90 days past due have their charging privileges suspended.  
 Accounts 90 days past due are reviewed for sending to collections.

CUSTOMER	DATE OF LAST TRANSACTION	DATE SENT TO COLLECTIONS	NUMBER OF UNPAID ITEMS	AMOUNT OWED	NOTES
Collection Services of Wyoming	6/8/2012	4/12/2013	1	\$ 45.80	Bad Check
Fine Finishes	9/25/2012	6/25/2013	1	\$ 5.00	
Froggy's Roofing & Construction	11/1/2012	6/25/2013	15	\$ 3,286.40	
Hearthstone Construction	10/24/2011	6/25/2013	3	\$ 126.20	
Integrity Development	8/31/2010	4/2/2013	7	\$ 500.00	Court 3/23/11
J & C General Contractor	5/14/2010	4/2/2013	6	\$ 368.45	Court 3/23/11
J & J Enterprise	3/19/2012	6/25/2013	1	\$ 37.80	
JC Contractors	11/30/2010	3/7/2013	2	\$ 349.20	Court 3/23/11
Jim's Roofing	10/31/2010	3/26/2013	5	\$ 356.40	Court 6/6/12
Kelo Construction	5/27/2013	10/2/2013	2	\$ 12.40	
L & L Productions	5/13/2013	7/17/2013	2	\$ 46.00	
Lander Glass and Mirror	5/15/2012	6/25/2013	4	\$ 152.80	
Linthicum, Susan	6/12/2013	10/29/2013	1	\$ 5.00	Bad Check
MC Construction	6/13/2013	10/22/2013	3	\$ 16.60	
McMillan Roofing and Siding	6/15/2011	3/16/2012	6	\$ 592.80	
Montana Henderson	4/23/2011	6/25/2013	1	\$ 22.60	
PM Construction	7/18/2014	12/8/2014	3	\$ 27.80	
Rocky Mt Bldg Restoration	4/29/2011	6/25/2013	3	\$ 277.40	
S & S Salvage	6/29/2012	6/25/2013	1	\$ 50.00	
Superior General Construction	6/13/2013	2/20/2014	7	\$ 285.00	
Triangle C Ranch	7/9/2013	6/25/2013	8	\$ 323.20	
Will's Plumbing & Heating	4/23/2011	3/7/2013	3	\$ 132.60	Court 4/25/12
Wind River Tin	4/1/2013	6/25/2013	14	\$ 1,188.85	
Wooden Creation Construction & Sawmill	7/25/2013	1/10/2014	6	\$ 342.80	
				<b>\$ 8,551.10</b>	



**Fremont County Solid Waste Disposal District  
(A Component Unit of Fremont County, Wyoming)**

*Financial Report*  
**June 30, 2018**

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
 (A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
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## Report of Independent Auditor

Board of Directors  
Fremont County Solid Waste Disposal District  
Lander, Wyoming

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Fremont County Solid Waste Disposal District ("the District"), a component unit of Fremont County, Wyoming, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Fremont County Solid Waste Disposal District, as of June 30, 2018 and 2017, and the respective changes in financial position thereof, for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the budgetary comparison schedules on page 33 and the schedules of the District's share of the net pension liability and District contributions on pages 35 and 36, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2018 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 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 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.

*DeCoria, Maichel & Teague, P.S.*

DeCoria, Maichel & Teague, P.S.  
Spokane, Washington

October 16, 2018

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2018**

Fremont County Solid Waste Disposal District ("the District") is a Component Unit of Fremont County, Wyoming. The District is included in the County's annual Financial Report. This discussion and analysis provides an overview of the District's financial activities for the fiscal year ended June 30, 2018.

**Financial Highlights**

As of June 30, 2018, the District's total assets and deferred outflows of resources were \$19,665,423 and the total liabilities and deferred inflows of resources were \$13,438,742. Included in the liabilities is an estimate for future closure and post-closure care costs in the amount of \$11,700,000. This estimate is based on estimated future costs adjusted for capacity used as of June 30, 2018. Also included in liabilities is the District's proportionate share of the net pension liability for the Wyoming Retirement System in the amount of \$1,353,142.

During fiscal year 2018, the District had total revenue of \$5,522,763 and \$3,752,535 of expense. The net position increased by \$1,770,228 for the year ended June 30, 2018.

**Overview of the Financial Statements**

This discussion and analysis is 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. The report also includes other supplementary information including the schedule of budgetary comparisons.

*Government-wide Financial Statements*

The government-wide financial statements present the results of the District's governmental activities using the accrual basis of accounting, which is the basis of accounting generally used by private sector businesses. The government-wide statements are on pages 7 and 8 of this report.

*Fund Financial Statements*

The fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. The revenues are recognized as soon as they are both measurable and available. Expenses are recorded when the liability is incurred with the exception of long-term debt and liabilities. The District recognizes expense related to long-term debt and liabilities to the extent the liability has matured. The fund financial statements are on pages 9 and 11 of this report.

*Notes to the Financial Statements*

The notes to the financial statements provide additional information that is essential to understanding the data provided in the financial statements. The notes to the financial statements can be found on pages 13 through 32 of this report.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT**  
**Management's Discussion and Analysis (cont.)**  
**For the Year Ended June 30, 2018**

**Financial Summary and Analysis**

The following table is a condensed Statement of Net Position followed by a condensed Statement of Activities as of, and for the year ended June 30, 2018 with comparative data for June 30, 2017.

**Condensed Statements of Net Position**

	June 30, <u>2018</u>	June 30, <u>2017</u>	Change Favorable (Unfavorable)
Current assets	\$ 14,143,806	\$ 11,937,616	\$ 2,206,190
Noncurrent assets	5,348,287	5,754,937	(406,650)
Deferred outflows of resources	<u>173,330</u>	<u>298,704</u>	<u>(125,374)</u>
Total assets and deferred outflows of resources	<u>19,665,423</u>	<u>17,991,257</u>	<u>1,674,166</u>
Current liabilities	233,801	254,252	20,451
Noncurrent liabilities	13,053,142	13,084,128	30,986
Deferred inflows of resources	<u>151,799</u>	<u>196,424</u>	<u>44,625</u>
Total liabilities and deferred inflows of resources	<u>13,438,742</u>	<u>13,534,804</u>	<u>96,062</u>
Total Net Position	\$ <u>6,226,681</u>	\$ <u>4,456,453</u>	\$ <u>1,770,228</u>

The increase in current assets is primarily an increase in cash and investments as a result of revenues exceeding expenses due to efficiencies in operations resulting in decreased operating expenses.

**Condensed Statements of Activities**

	Year Ended June 30, <u>2018</u>	Year Ended June 30, <u>2017</u>	Change Favorable (Unfavorable)
Program Expenses	\$ (3,752,535)	\$ (3,706,315)	\$ (46,220)
Program Revenues	<u>3,247,747</u>	<u>2,761,749</u>	<u>485,998</u>
Net Program Expense	<u>(504,788)</u>	<u>(944,566)</u>	<u>439,778</u>
General Revenues			
Tax revenue	2,221,116	2,335,679	(114,563)
Other general revenue, net	<u>53,900</u>	<u>14,500</u>	<u>39,400</u>
Total General Revenue	<u>2,275,016</u>	<u>2,350,179</u>	<u>(75,163)</u>
Increase in Net Position	\$ <u>1,770,228</u>	\$ <u>1,405,613</u>	\$ <u>364,615</u>

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
Management's Discussion and Analysis (cont.)  
For the Year Ended June 30, 2018**

**Financial Summary and Analysis, Continued**

The increase in program expenses from 2017 to 2018 was primarily due to the stability of the accrued landfill closure and post-closure care liability (\$11,700,000 for both years) and a slight increase in other program expenses.

**Budgetary Highlights**

The District approves an annual budget in July of each year. The budget is prepared on the modified accrual basis of accounting; the basis of accounting used for the fund financial statements and is submitted to the Fremont County Board of Commissioners for approval. There were no changes to the budget, after adoption, for the fiscal year ended June 30, 2018. The Budgetary Comparison Schedules can be found with the supplementary information of these financial statements on page 33.

As part of the budgeting process, the District designates/commits a portion of the fund balance for future landfill closure and post-closure care costs. The District added \$1,646,984 to fund balance committed for closure and post-closure obligations for the fiscal year ended June 30, 2018.

The District receives property tax revenue from Fremont County to help with the operations of landfills throughout the county. The assessed valuation for Fremont County decreased approximately 6% for the budget year 2017-2018 as compared to budget year 2016-2017.

**Capital Assets and Debt Administration**

The District's capital assets, net of accumulated depreciation, decreased \$406,650. This net decrease is the result of an increase in assets in the amount of \$117,358 and reduced by depreciation expense in the amount of \$524,008.

The District has no outstanding debt obligations as of the fiscal year ended June 30, 2018.

**Economic Factors**

The landfills in Fremont County accept municipal solid waste (MSW), construction and demolition waste (CDW) and other waste (biological and sump waste). The areas are serviced by four landfills and twelve transfer stations. According to the annual capacity audits prepared for the District as of June 30, 2018, the waste received by service areas follows:

Service Area	Tons of Waste Received		Type of Waste
	<u>2018</u>	<u>2017</u>	
Lander Area	29,150	27,653	MSW, CDW, other
Riverton-Sand Draw	3,393	3,030	MSW, CDW, other
Shoshoni	750	4,685	CDW only
Dubois	414	408	CDW, other

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT**  
**Management's Discussion and Analysis (cont.)**  
**For the Year Ended June 30, 2018**

**Economic Factors, Continued**

The MSW received from the sites accepting CDW only and the transfer stations is disposed at either the Riverton-Sand Draw or the Lander landfills. The Shoshoni landfill is scheduled to be closed in 2019.

According to *census.gov*, the estimated 2017 population of Fremont County was 39,803, which equates to approximately 1,693 pounds and 1,798 pounds of waste per person disposed in the County's landfills for the years ended June 30, 2018 and 2017, respectively.

**Requests for Information**

The District's financial report is designed to present users with a general overview of the District's financial activity. Questions concerning this report or requests for additional information should be addressed to Fremont County Solid Waste Disposal District, PO Box 1400, 52 Beebee Road, Lander, Wyoming 82520.



## **Basic Financial Statements**

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT**  
**(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)**  
**STATEMENTS OF NET POSITION**  
**JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current assets		
Cash, cash equivalents and investments	\$ 13,544,461	\$ 11,264,889
Receivables, net of allowance for uncollectible accounts		
Accounts receivable	324,848	389,704
Taxes receivable	39,000	42,000
Intergovernmental and grants receivable	31,188	31,096
Interest receivable	4,590	7,349
Prepaid expenses	9,979	9,511
Due from primary government	189,740	193,067
Total current assets	<u>14,143,806</u>	<u>11,937,616</u>
Noncurrent assets		
Nondepreciable capital assets	180,856	180,856
Depreciable capital assets, net of accumulated depreciation	5,167,431	5,574,081
Total noncurrent assets	<u>5,348,287</u>	<u>5,754,937</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to the net pension liability	173,330	298,704
Total deferred outflows of resources	<u>173,330</u>	<u>298,704</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued expenses	165,306	180,718
Unearned revenue	0	3,053
Compensated absences	68,495	70,481
Total current liabilities	<u>233,801</u>	<u>254,252</u>
Noncurrent liabilities		
Closure and post-closure care	11,700,000	11,700,000
Net pension liability	1,353,142	1,384,128
Total noncurrent liabilities	<u>13,053,142</u>	<u>13,084,128</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to the net pension liability	151,799	196,424
Total deferred inflows of resources	<u>151,799</u>	<u>196,424</u>
<b>NET POSITION</b>		
Net investment in capital assets	5,348,287	5,754,937
Unrestricted (deficit)	878,394	(1,298,484)
Total net position	<u>\$ 6,226,681</u>	<u>\$ 4,456,453</u>

(The accompanying notes are an integral part of the basic financial statements.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Program expenses		
Wages	\$ 1,071,038	\$ 1,086,075
Employee benefits	606,792	591,689
Bad debt expense	-	2,565
Bale station operation and maintenance	10,856	411
Engineering fees	356,630	254,568
Equipment repairs	168,642	66,211
Financial assurance and regulatory fees	3,225	728
Insurance	43,425	36,777
Leases	27,285	26,924
Office expenses and travel	45,080	43,169
Operation and maintenance	200,258	218,693
Professional fees	52,037	47,522
Recycling	147,754	159,201
Scale houses	19,120	17,268
Site improvements and maintenance	61,211	79,258
Supplies	7,429	15,776
Transfer stations	250,922	251,846
Utilities	156,823	232,332
Depreciation	524,008	575,302
Total program expenses	<u>3,752,535</u>	<u>3,706,315</u>
Program revenues		
Charges for services	3,205,755	2,723,957
Operating grants and contributions	41,992	37,792
Total program revenues	<u>3,247,747</u>	<u>2,761,749</u>
Net program expenses	<u>(504,788)</u>	<u>(944,566)</u>
General revenues		
Taxes, primarily property	2,221,116	2,335,679
Realized gains on investments	166,016	45,060
Unrealized (losses) on investments	(127,552)	(33,216)
Gain on disposition of assets	11,861	0
Miscellaneous income	3,575	2,656
Total general revenues	<u>2,275,016</u>	<u>2,350,179</u>
Increase in net position	1,770,228	1,405,613
Net position - beginning of year	<u>4,456,453</u>	<u>3,050,840</u>
Net position - end of year	<u>\$ 6,226,681</u>	<u>\$ 4,456,453</u>

(The accompanying notes are an integral part of the basic financial statements.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)**

**BALANCE SHEETS  
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash, cash equivalents and investments	\$ 13,544,461	\$ 11,264,889
Receivables, net of allowance for uncollectible accounts		
Accounts receivable	324,848	389,704
Taxes receivable	39,000	42,000
Interest receivable	4,590	7,349
Prepaid expenses	9,979	9,511
Due from primary government	<u>189,740</u>	<u>193,067</u>
Total assets	<u>\$ 14,112,618</u>	<u>\$ 11,906,520</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 165,306	\$ 180,718
Unearned revenue	<u>-</u>	<u>3,053</u>
Total liabilities	<u>165,306</u>	<u>183,771</u>
Deferred inflows of resources		
Unearned property taxes	<u>43,000</u>	<u>47,000</u>
Total deferred inflows of resources	<u>43,000</u>	<u>47,000</u>
<b>FUND BALANCE</b>		
Nonspendable prepaid expenses	9,979	9,511
Committed for cash reserves	750,000	500,000
Committed for closure and post-closure obligations	10,973,496	9,326,512
Unassigned	<u>2,170,837</u>	<u>1,839,726</u>
Total fund balance	<u>13,904,312</u>	<u>11,675,749</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 14,112,618</u>	<u>\$ 11,906,520</u>

(The accompanying notes are an integral part of the basic financial statements.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
RECONCILIATION OF THE BALANCE SHEETS  
TO THE STATEMENTS OF NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
Fund Balance of Fremont County Solid Waste Disposal District (page 9)	\$ 13,904,312	\$ 11,675,749
Amounts reported for Fremont County Solid Waste Disposal District in the Statement of Net Position are different because:		
1) Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund.	5,348,287	5,754,937
2) Certain intergovernmental receivables are not available to pay current-period expenditures and, therefore, are unearned in the fund financial statements.	31,188	31,096
3) Certain taxes will be collected after year-end, but are not available soon enough to pay liabilities of the current period, and are therefore a deferred inflow of resources in the governmental fund.	43,000	47,000
4) Certain liabilities, including compensated absences, closure and post-closure care costs and the District's share of the net pension liability are not due and payable in the current period and therefore are not reported as liabilities in the governmental fund:		
Compensated absences	(68,495)	(70,481)
Closure and post-closure care	(11,700,000)	(11,700,000)
Net pension liability	(1,353,142)	(1,384,128)
5) Deferred outflows and deferred inflows of resources pertaining to the net pension liability are not financial resources and therefore are not reported as assets or liabilities in the governmental fund:		
Deferred outflows related to the net pension liability	173,330	298,704
Deferred inflows related to the net pension liability	(151,799)	(196,424)
Total net position of Fremont County Solid Waste Disposal District (page 7)	\$ 6,226,681	\$ 4,456,453

(The accompanying notes are an integral part of the basic financial statements.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
<b>Revenues</b>		
Taxes, primarily property	\$ 2,225,116	\$ 2,360,679
Intergovernmental	41,900	48,391
Charges for services	3,205,755	2,723,957
Realized gains on investments	166,016	45,060
Unrealized gains (losses) on investments	(127,552)	(33,216)
Miscellaneous income	3,575	2,656
Total revenues	5,514,810	5,147,527
<b>Expenditures</b>		
Wages	1,073,024	1,086,709
Employee benefits	557,029	568,931
Bad debt expense	0	2,565
Bale station operation and maintenance	10,856	411
Engineering fees	356,630	254,568
Equipment repairs	168,642	66,211
Financial assurance and regulatory fees	3,225	728
Insurance	43,425	36,777
Leases	27,285	26,924
Office expenses and travel	45,080	43,169
Operation and maintenance	200,258	218,693
Professional fees	52,037	47,522
Recycling	147,754	159,201
Scale houses	19,120	17,268
Site improvements and maintenance	61,211	79,258
Supplies	7,429	15,776
Transfer stations	250,922	251,846
Utilities	156,823	232,332
Capital outlays	117,358	187,682
Total expenditures	3,298,108	3,296,571
Excess of revenues over expenditures	2,216,702	1,850,956
<b>Other financing sources:</b>		
Proceeds from sale of capital assets	11,861	0
Total other financing sources	11,861	0
Net change in fund balance	2,228,563	1,850,956
<b>Fund balance - beginning of year</b>	11,675,749	9,824,793
<b>Fund balance - end of year</b>	\$ 13,904,312	\$ 11,675,749

(The accompanying notes are an integral part of the basic financial statements.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO THE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

Amounts reported in the Statements of Activities are different because:

	2018	2017
Net change in fund balance (page 11)	\$ 2,228,563	\$ 1,850,956
 Governmental funds report capital outlays as expenditures. However, in the Statements of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the difference between depreciation, \$524,008, and capital outlays, \$117,358, in fiscal 2018; and depreciation, \$575,302, and capital outlays, \$187,682, in fiscal 2017.	(406,650)	(387,620)
 Revenues in the Statements of Activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	(3,908)	(35,599)
 Expenses reported in the Statements of Activities that do not use current financial resources are not reported as expenditures in the funds. Following are net decreases (increases) in:		
Compensated absences	1,986	634
 In the Statement of Activities - District-Wide, pension (expense) revenue is actuarially determined and adjusted by amortization of deferred outflows and deferred inflows of resources. In the governmental fund, however, pension expenditures are measured by the amount of financial resources used (i.e., the amount of contributions actually paid). The difference between contributions paid and the changes in the District's proportionate share of the net pension liability and the related deferred outflows and deferred inflows of resources is an adjustment.	(49,763)	(22,758)
 Change in net position (page 8)	<u>\$ 1,770,228</u>	<u>\$ 1,405,613</u>

(The accompanying notes are an integral part of the basic financial statements.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Fremont County Solid Waste Disposal District ("the District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant District accounting policies are described below.

**1-A Reporting Entity**

The District was created October 3, 1979, under the authority of Wyoming Statute 18-11-101 for the operation and maintenance of solid waste sanitary landfills in Fremont County. The District can levy up to three mills for the purpose of disposing of solid waste.

The District is considered a component unit of Fremont County, Wyoming ("the County"), because the County Commissioners appoint the Board members for the District, and because the District is financially dependent upon the approval of funding outlined in an annual budget submitted to the County Commissioners. Thus, the District is included as a discretely presented component unit in the financial report of Fremont County, Wyoming. A copy of the audited financial statements for Fremont County, Wyoming, for the year ended June 30, 2018, may be obtained at the Fremont County courthouse or at <http://fremontcountyywy.org/treasurer/financials/>.

The accompanying financial statements present the financial information of the District only. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent upon the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

**1-B Government-Wide and Fund Financial Statements**

The management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities.

The District uses government-wide financial statements, including the Statement of Net Position and Statement of Activities, to report its financial position and results of operations, respectively.

The Statement of Activities demonstrates the degree to which *expenses* are offset by program revenues. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.



**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-B Government-Wide and Fund Financial Statements (cont.)**

Fund financial statements also report financial information about the District using a different basis of accounting as explained below.

**1-C Measurement Focus, Basis of Accounting and Financial Statement Presentation**

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants and entitlements. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers tax revenues to be available if they are collected as of the financial statement date. Generally, all other revenue items are considered available and susceptible to accrual as revenues of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims, judgments and compensated absences, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in the governmental fund. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

**1-D Recent Accounting Pronouncements**

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards. The District has adopted and applied all applicable GASB pronouncements, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-D Recent Accounting Pronouncements (cont.)**

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practical issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Specifically, Statement No. 85 addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Reporting amounts previously reported as goodwill and "negative" goodwill;
- Classifying real estate held by insurance entities;
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB; and
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

Statement No. 85 is effective for the District beginning in the fiscal year ended June 30, 2018. This statement did not have a significant effect on the District's financial statements.

**1-E Cash, Cash Equivalents and Investments**

The District considers cash and cash equivalents to consist of all cash, either on hand or in banks, including time deposits and any highly liquid debt instruments with a maturity of three months or less when purchased.

The District follows GASB Statement No. 72, which requires most investments to be reported at their fair value. Unrealized gains and losses are reported in the Statements of Revenues, Expenditures and Changes in Fund Balance.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-F Receivables**

Receivables for property taxes and the related interest receivable shown on the governmental fund financial statements are those for which payment was not received by the financial statement date, but are due prior to fiscal year end and are expected to be collected after year end. All receivables for property taxes, regardless of when they are collected are recognized as revenue in the government-wide financial statements. Accounts receivable for landfill user fees are recorded and recognized as revenue as of the service date for both the governmental fund financial statements and the government-wide financial statements.

**1-G Capital Assets**

Capitalization and Valuation

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems), are reported as noncurrent assets in the government-wide financial statements and as expenditures in the governmental fund financial statements. Infrastructure assets with initial costs that equal or exceed \$25,000 are capitalized.

Expenditures for buildings and improvements having a useful life greater than five years and a value greater than \$10,000 are capitalized. Expenditures for other capital items having a useful life greater than one year and a value greater than \$1,000 are also capitalized. Individual items having a lesser value may be capitalized if they are purchased in a group. Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets are not capitalized.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred during the construction phase of capital projects, if any, are not capitalized.

Depreciation Method and Useful Lives

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-40 years
Equipment	3-30 years
Vehicles	3-15 years
Computer software	5 years
Office furniture	5-10 years
Infrastructure	3-50 years

When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the Statement of Activities.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-H Fair Value Measurements**

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy for those assets and liabilities measured at fair value, that distinguishes between assumptions based on market data (observable inputs) and the District's own assumptions (unobservable inputs). The hierarchy consists of: Level 1 – quoted market prices in active markets for identical instruments; Level 2 – inputs other than Level 1 inputs that are observable; and Level 3 – unobservable inputs developed using estimates and assumptions determined by the District.

At June 30, 2018, the assets or liabilities of the District that were measured at fair value on a recurring basis are summarized as follows:

June 30, 2018

	Level 1	Level 2	Level 3	Total
Wyo-STAR	\$ -	\$7,324,900	\$ -	\$7,324,900
Edward Jones	4,725,162	-	-	4,725,162

At June 30, 2017, the assets or liabilities of the District that were measured at fair value on a recurring basis are summarized as follows:

June 30, 2017

	Level 1	Level 2	Level 3	Total
Wyo-STAR	\$ -	\$7,253,754	\$ -	\$7,253,754
Edward Jones	3,314,592	-	-	3,314,592

**1-I Compensated Absences**

District policy permits employees to accumulate a limited amount of earned, but unused vacation and sick leave. These benefits are payable to employees upon separation from service. No liability is recorded for non-vesting accumulated sick leave rights to receive sick pay.

Accumulated sick leave and vacation that has become due and payable at the end of the fiscal year, which is expected to be paid during the upcoming fiscal year, is reported as an expenditure and fund liability of the governmental fund. Accumulated sick leave and vacation that is expected to be utilized by employees during the upcoming fiscal year is reported as a current obligation in the government-wide financial statements. Accumulated sick leave and vacation leave that is not expected to be utilized by employees during the upcoming fiscal year is reported as a noncurrent obligation in the government-wide financial statements.

**1-J Accrued Liabilities and Long-Term Obligations**

Liabilities shown on the fund financial statements are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year and are reported as an expenditure and fund liability of the governmental fund that will pay it. On the government-wide financial statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after that time are shown as noncurrent liabilities.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-K Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding, if any, at year end are reported as committed or assigned fund balance since they do not constitute expenditures or liabilities. At June 30, 2018 and 2017, there were no outstanding encumbrances.

**1-L Net Position**

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following components:

*Net investment in capital assets:* This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets;

*Restricted net position:* This component of net position consists of net position subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The District had no restricted net position as of June 30, 2018 and 2017;

*Unrestricted net position:* This component of net position consists of net position that does not meet the definition of "net investment in capital assets," or "restricted."

When expenditures qualify to be paid out of both restricted and unrestricted resources, it is the policy of the District to use restricted resources first.

**1-M Fund Balance**

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (GASB No. 54), defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB Statement No. 54 requires the fund balance amounts to be properly reported within one of the following fund balance classifications:

*Nonspendable:* The portion of fund balance that is not expected to be converted to cash, such as inventories or prepaid expenses, if any;

*Restricted:* The portion of fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-M Fund Balance (cont.)**

*Committed:* The portion of fund balance that can be used only for the specific purposes determined by a formal action of the District's Board of Directors (the District's highest level of decision-making authority);

*Assigned:* The portion of fund balance that is intended to be used by the District for specific purposes, but which does not meet the criteria to be classified as restricted or committed; and

*Unassigned:* The residual portion of fund balance for the District's General Fund and includes all spendable amounts not included in the other classifications.

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, remaining fund balance amounts for governmental funds other than the General Fund, if any, are classified as restricted fund balance.

It is possible for governmental funds other than the General Fund, if any, to have negative unassigned fund balances when nonspendable amounts plus restricted amounts exceed the positive fund balance.

**1-N Pensions**

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

**1-O Grants and Intergovernmental Revenue**

The District receives financial assistance from governmental agencies in the form of grants and revenue in lieu of tax revenue on exempt property. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Funds received but not earned as of the fiscal year end are recorded as unearned revenue.

**1-P Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and affect the amounts reported in the financial statements.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
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NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**1-Q Subsequent Events**

The District has evaluated subsequent events through October 16, 2018, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2018 that required recognition or disclosure in the financial statements.

**NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**2-A Budgets and Budgetary Accounting**

The District is required to adhere to the County's budget process. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to May 15, the County Clerk submits a proposed operating budget to the County Commissioners for the upcoming fiscal year commencing that July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. The County Charter requires that the budget be submitted in summary form. In addition, more detailed line item budgets are included for administrative control. The legal level of statutory control for the detailed budget is at the department/function level.

Public hearings are conducted between the second and the third Monday in July to obtain taxpayer comments. Within 24 hours following the public hearing, the budget is legally adopted through passage of a resolution. The District may, after public notice and hearing, amend the budget.

The budget for the District is adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are included as expenditures. All appropriations lapse at the end of each fiscal year.

**2-B Budgetary Comparison Schedules**

The budgetary comparison schedules are presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budgets. The budget amounts shown include the original and final authorized amounts. Encumbrances are included with expenditures to determine statutory compliance.

**NOTE 3. CASH AND INVESTMENTS**

Statutes authorize the District to invest in various instruments of the federal government and its agencies, savings certificates of savings and loan associations, bank certificates of deposit, and investment pools that purchase allowable investments.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 3. CASH AND INVESTMENTS (cont.)**

The composition of cash and investments in the financial statements is as follows as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash on hand	\$ 3,819	\$ 5,798
Bank deposits	1,490,580	690,745
Investment pool	7,324,900	7,253,754
Investments – Federal bonds	<u>4,725,162</u>	<u>3,314,592</u>
Total cash and investments	<u>\$ 13,544,461</u>	<u>\$ 11,264,889</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Wyoming statute 9-4-820 requires the District to collateralize bank deposits that exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). In addition, for collateral held by a custodian other than the Federal Reserve, an approved Joint Custody Receipt form must be properly executed to perfect the District's interest in collateral pledged by depository financial institutions. The District's superintendent monitors cash account balances to see that sufficient collateral is pledged to the District. At June 30, 2018, the District's deposits were insured by the FDIC up to \$250,000 at each bank.

The District's bank balances at June 30, 2018 totaled \$1,524,902. The differences between the carrying amount of bank deposits and the bank balances consisted of outstanding checks and deposits not processed by the banks as of June 30, 2018.

A summary of the total insured and collateralized bank balances at June 30, 2018 is as follows:

Insured by FDIC	\$ 473,961
Collateralized with security held by pledging institution's trust department or correspondent bank under a joint custody receipt in the name of the District and the financial institution.	<u>1,050,941</u>
Total bank balance	<u>\$ 1,524,902</u>

As of June 30, 2018, the District had the following investments.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Wyo-STAR Local Government Investment Pool	216 days average	\$ 7,324,900
Edward Jones Investments	July 2018-January 2023	<u>4,725,162</u>
Total investments		<u>\$12,050,062</u>



**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 3. CASH AND INVESTMENTS (cont.)**

Interest Rate Risk: The District has an investment policy that limits investment maturities to no more than five years from the date purchased. The policy is in place to help manage the exposure to fair value losses arising from increasing interest rates;

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under investment agreements with Wyo-STAR Local Government Investment Pool (Wyo-STAR), the District has invested monies at a fixed contract rate of interest. Because the security is essentially a written contract, there is no rating available for such an investment; however, under Wyoming statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations. As of June 30, 2018, the investments in Edward Jones Investments had credit ratings of AA+, Aaa, and AAA by Standard and Poor's Rating Services, Moody's Investors Services, and Fitch Ratings, respectively. State law limits investments to obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements;

Concentration of Credit Risk: The District's investment policy limits the amount the District may invest any available reserve funds into bonds allowed by Wyoming State Statutes with maturities not to exceed five years and the remaining amount of available reserve funds to be invested with Wyo-STAR. More than five percent of the District's investments are invested in Wyo-STAR and Edward Jones Investments. At June 30, 2018, these investments represent approximately 61% and 39% of the District's total investments, respectively.

The Wyo-STAR is overseen and managed by the Wyoming State Treasurer's Office.

**NOTE 4. RECEIVABLES**

Receivables have been reported net of an allowance for uncollectible accounts. The allowance is estimated based on prior experience.

The allowance for uncollectible accounts as of June 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
Accounts receivable	\$ 8,500	\$ 11,500
Taxes and interest receivable	<u>20,000</u>	<u>22,000</u>
	<u>\$ 28,500</u>	<u>\$ 33,500</u>

**NOTE 5. PROPERTY TAXES**

The Fremont County Treasurer is responsible for collecting property taxes levied by the District and approved by the Fremont County Board of County Commissioners. Taxes are levied by October 10. Provided the payments are timely, the tax can be paid in two equal installments on November 10 and May 10 or tax may be paid in full on December 31. Any taxes on real property that have not been received by the due date are put before the general public for a tax deed assignment sale in August following three publicly advertised notices of the date of this sale. Taxes that are not received at this assignment sale will cause the respective property to be assigned to the County.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	Balance <u>June 30, 2017</u>	Additions	Disposals	Balance <u>June 30, 2018</u>
<b>Non-depreciable Capital Assets</b>				
Land	\$ 180,856	\$ 0	\$ 0	\$ 180,856
Total non-depreciable	<u>180,856</u>	<u>0</u>	<u>0</u>	<u>180,856</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	4,077,240	9,227	0	4,086,467
Equipment	4,907,055	39,328	(10,285)	4,936,098
Vehicles	1,649,019	0	0	1,649,019
Computer software	26,343	0	0	26,343
Office furniture	47,201	22,347	0	69,548
Infrastructure	1,479,790	46,456	0	1,526,246
Total depreciable	<u>12,186,648</u>	<u>117,358</u>	<u>(10,285)</u>	<u>12,293,721</u>
<b>Accumulated Depreciation</b>				
Buildings and improvements	1,431,853	118,016	0	1,549,869
Equipment	3,462,433	274,219	(10,285)	3,726,367
Vehicles	1,162,855	81,968	0	1,244,823
Computer software	26,344	0	0	26,344
Office furniture	31,271	9,726	0	40,997
Infrastructure	497,811	40,079	0	537,890
Total accumulated depreciation	<u>6,612,567</u>	<u>524,008</u>	<u>(10,285)</u>	<u>7,126,290</u>
Depreciable capital assets – net	<u>5,574,081</u>	<u>(406,650)</u>	<u>0</u>	<u>5,167,431</u>
Governmental activities capital assets - net	<u>\$ 5,754,937</u>	<u>\$ (406,650)</u>	<u>\$ 0</u>	<u>\$ 5,348,287</u>

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 6. CAPITAL ASSETS (cont.)**

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Balance <u>June 30, 2016</u>	Additions	Disposals	Balance <u>June 30, 2017</u>
<b>Non-depreciable Capital Assets</b>				
Land	\$ 180,856	\$ 0	\$ 0	\$ 180,856
Total non-depreciable	<u>180,856</u>	<u>0</u>	<u>0</u>	<u>180,856</u>
<b>Depreciable Capital Assets</b>				
Buildings and improvements	4,074,622	2,618	0	4,077,240
Equipment	4,888,148	18,907	0	4,907,055
Vehicles	1,485,265	163,754	0	1,649,019
Computer software	26,343	0	0	26,343
Office furniture	44,798	2,403	0	47,201
Infrastructure	1,479,790	0	0	1,479,790
Total depreciable	<u>11,998,966</u>	<u>187,682</u>	<u>0</u>	<u>12,186,648</u>
<b>Accumulated Depreciation</b>				
Buildings and improvements	1,314,447	117,406	0	1,431,853
Equipment	3,141,320	321,113	0	3,462,433
Vehicles	1,073,087	89,768	0	1,162,855
Computer software	26,344	0	0	26,344
Office furniture	24,059	7,212	0	31,271
Infrastructure	458,008	39,803	0	497,811
Total accumulated depreciation	<u>6,037,265</u>	<u>575,302</u>	<u>0</u>	<u>6,612,567</u>
Depreciable capital assets – net	<u>5,961,701</u>	<u>(387,620)</u>	<u>0</u>	<u>5,574,081</u>
Governmental activities capital assets - net	<u>\$ 6,142,557</u>	<u>\$ (387,620)</u>	<u>\$ 0</u>	<u>\$ 5,754,937</u>

**NOTE 7. CHANGES IN LONG-TERM LIABILITIES**

The following is a summary of the changes in long-term liabilities of the District for the fiscal years ended June 30, 2018 and 2017:

<u>June 30, 2018</u>	Balance <u>June 30, 2017</u>	Additions	Reductions	Balance <u>June 30, 2018</u>	Due Within <u>One Year</u>
Compensated absences	\$ 70,481	\$ 98,110	\$ 100,096	\$ 68,495	\$ 68,495
Closure and post-closure care costs	11,700,000	0	0	11,700,000	0
Net pension liability	<u>1,384,128</u>	<u>0</u>	<u>30,986</u>	<u>1,353,142</u>	<u>0</u>
	<u>\$ 13,154,609</u>	<u>\$ 98,110</u>	<u>\$ 131,082</u>	<u>\$ 13,121,637</u>	<u>\$ 68,495</u>
<u>June 30, 2017</u>	Balance <u>June 30, 2016</u>	Additions	Reductions	Balance <u>June 30, 2017</u>	Due Within <u>One Year</u>
Compensated absences	\$ 71,115	\$ 116,380	\$ 117,014	\$ 70,481	\$ 70,481
Closure and post-closure care costs	11,700,000	0	0	11,700,000	0
Net pension liability	<u>1,347,687</u>	<u>36,441</u>	<u>0</u>	<u>1,384,128</u>	<u>0</u>
	<u>\$ 13,118,802</u>	<u>\$ 152,821</u>	<u>\$ 117,014</u>	<u>\$ 13,154,609</u>	<u>\$ 70,481</u>

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN**

Plan Description

All full-time and permanent part-time employees of the District participate in the State of Wyoming Retirement System ("the Plan"), a multi-employer, cost-sharing public employee retirement plan. The Plan is a defined benefit plan covering substantially all employees of the State, electing local municipalities, and the Public School System of Wyoming. The cost to administer the Plan is financed through the contributions and investment earnings of the Plan.

The Plan is governed by a Board of Trustees comprised of the State Treasurer, five trustees who are members of the Plan and five "at-large" trustees who are not members of the Plan. With the exception of the State Treasurer, Board members are appointed by the Governor and confirmed by the Wyoming Senate. The Board employs an executive director to oversee day-to-day operations which includes a staff of approximately 40 employees.

Pension Benefits

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of the Plan.

Tier 1 participants are those whose participation in the Plan and contributions to the Plan began prior to September 1, 2012. Tier 1 participants vest after 48 months of service, with eligibility for full retirement benefits upon attaining age 60 and meeting the "rule of 85," which requires the participant's age and years of service to equal or exceed 85. Early retirement is allowed, provided the employee has completed four years of service and attained age 50, but results in a reduction of benefits based on the length of time remaining to normal retirement age. Tier 1 benefits are calculated with a 2.125% multiplier rate for the first 15 years of service with the remaining service years calculated with a 2.25% rate, using the highest average salary for 36 continuous months.

Tier 2 participants are those whose participation in the Plan and contributions to the Plan began on or after September 1, 2012. Tier 2 participants vest after 48 months of service, with eligibility for full retirement benefits upon attaining age 65 and meeting the "rule of 85," which requires the participant's age and years of service to equal or exceed 85. 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. Tier 2 benefits are calculated with a 2.00% multiplier rate for all years of service using the highest average salary for 60 continuous months.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (cont.)**

Pension Benefits, Continued

The 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% joint and survivor annuity and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment (COLA) will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through the 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).

Member and Employer Contributions

The Plan statutorily requires 16.62% of the participant's salary to be contributed to the Plan; the District is required to contribute a minimum of 8.37% of the employee's salary. The District can, however, elect to contribute more than the required amount. The District has elected to contribute 13.94% of the employee's salary, with the remaining 2.68% contributed by the employee.

The District's total contributions, including both employer and employee portions, totaled \$171,764, \$171,053 and \$169,337 for the three years ended June 30, 2018, 2017 and 2016, respectively. The employee portion of the retirement contributions paid on behalf of employees by the District for the three years ended June 30, 2018, 2017 and 2016 were \$57,565, \$61,186 and \$63,245, respectively.

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

At June 30, 2018, the District reported a liability of \$1,353,142 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The District's proportion of the net pension liability was based on the District's share of contributions to the Plan relative to the total contributions of all participating Plan members. At December 31, 2017, the District's proportionate allocation was 0.059365500%.

For the year ended June 30, 2018, the District recognized net pension expense of \$110,405, including employer contributions paid during the Plan's year ended December 31, 2017.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (cont.)**

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

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions made subsequent to the measurement date	\$ 41,850	\$ --
Changes in assumptions	131,480	--
Net difference between projected and actual earnings on investments	--	49,563
Differences between expected and actual experience	--	47,330
Changes in proportionate share of the net pension liability	--	54,906
<b>Total</b>	<u>\$ 173,330</u>	<u>\$ 151,799</u>

The amount reported as deferred outflows of resources related to pensions resulting from employer contributions made subsequent to the measurement date will be recognized as pension expense and a reduction of the net pension liability in the year ending June 30, 2019.

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

Year Ending June 30,

2019	\$ 56,266
2020	(5,979)
2021	(20,994)
2022	(49,472)
2023	(140)
	<u>\$ (20,319)</u>

The average of the expected remaining service lives of all employees that are provided with pensions through the Plan (active and inactive employees), determined at January 1, 2017, the beginning of the measurement period ended December 31, 2017, is 4.1947 years.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (cont.)**

Actuarial Assumptions

Valuations are based on actuarial assumptions, the benefit formulas, and employee groups. Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earnings of the individual between entry age and assumed exit age. The Plan amortizes any unfunded actuarial accrued liability based on a level percentage of payroll. The maximum amortization period for the Plan permitted under Wyoming Code is 30 years.

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		3.25%
Salary increases	4.25% – 6.00%, including inflation	
Payroll growth rate		4.25%
Investment rate of return	7.00%, net of investment expenses	

Mortality rates were based on the RP – 2000 combined mortality table for healthy males or females as appropriate with the following post-retirement mortality offsets:

- Males: set back 1 year with a 104% multiplier
- Females: no setback with a 90% multiplier

Mortality rates were based on the RP – 2000 combined mortality table for healthy males or females as appropriate with the following pre-retirement mortality offsets:

- Males: set back 5 years with a 104% multiplier
- Females: set back 4 years with a 90% multiplier

The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the assumed rate of investment return was included in the Plan's actuarial valuation report as of January 1, 2017. In addition, a five-year experience study was completed as of December 31, 2016 that provided a detailed analysis regarding recommendations on the long-term rates for inflation and the real rate of return. The assumed rate of investment return of 7.00% (real return net of inflation of 4.75%) falls within a reasonable range of the long-term rate of return.

The long-term expected rate of return on pension plan investments was determined using the 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.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (cont.)**

Actuarial Assumptions, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset as of January 1, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	0.00%	0.40%
Fixed income	20.00%	1.77%
Equity	45.00%	6.88%
Marketable alternatives	17.50%	3.30%
Private markets	<u>17.50%</u>	7.11%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. 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 7.00% and the municipal bond rate is 3.31%, which is based on the weekly rate closest to, but not later than, the measurement date of the "state and local bonds" rate from the Federal Reserve statistical release (H.15).

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.



**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (cont.)**

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 2,045,124	\$ 1,353,142	\$ 776,038

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS Plan financial report. A copy of the Plan's financial statements may be obtained by contacting the Wyoming Retirement System at 6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002 or on the Plan's website at <http://retirement.state.wy.us>.

Payables to the Pension Plan

At June 30, 2018, the District reported no amounts owing to the Plan for legally required employer contributions or employee contributions which had been withheld from employee wages but not yet remitted to the Plan.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

Litigation

Various claims and lawsuits arising in the ordinary course of operations may be pending against the District. While the ultimate effect of such litigation cannot be ascertained at this time, in the opinion of the District's Attorney, the liabilities which may arise from such action would not result in losses which would materially affect the financial position of the District or the results of its operations.

Insurance Coverage

The District is a member of the Local Government Liability Pool as authorized by State statute 1-42-101. Coverage of this pool includes general liability and public officials' errors and omissions. Participation by the District is voluntary. Participants may be terminated for failure to pay the required assessments. A joint powers board administers the pool. It is the Board's duty to provide legal services for the defense of claims, procure insurance and professional services as required, establish and collect assessments from participating entities as necessary to operate the pool, and establish deductibles. Separate insurance coverage is maintained for property and vehicles. Settled claims have not exceeded the insurance coverage in any of the past three years. No significant reduction in the District's insurance coverage has occurred.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 9. COMMITMENTS AND CONTINGENCIES (cont.)**

Group Health Insurance

The District provides health insurance to its covered employees. The District made contributions to the health insurance plan on behalf of its covered employees totaling \$265,594 and \$261,030 during the years ended June 30, 2018 and 2017, respectively. The District also makes contributions to health savings accounts for eligible employees.

The District also provides employees a short-term disability plan and a group life insurance policy with a \$50,000 death benefit.

Contractual Agreement

Effective July 1, 2016, the District entered into an agreement with the Eastern Shoshone Tribe for the operation of at least three transfer stations located on the reservation for a period of two years. The parties agreed to extend the existing contract effective July 1, 2018. Either party may unilaterally terminate the agreement for cause.

**NOTE 10. CLOSURE AND POST-CLOSURE CARE COST**

State and federal laws and regulations require the District to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for at least 30 years after closure. After five years, the District can petition the State for official closure status. Closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste. The estimated liability incurred to date is included as a liability of the District in the government-wide Statement of Net Position. Closure and post-closure care costs are recognized when incurred. The liability is adjusted each year to reflect costs incurred and changes in estimated remaining landfill capacity. The District estimates closure and post-closure care costs based on the permitted landfill capacity and the estimated capacity used to date.

The landfill closure and post-closure care liability reported is based on the following estimated costs and capacities:

<u>June 30,</u>	<u>Estimated Total Closure and Post-closure Care Costs</u>	<u>Percentage of Total Capacity Used</u>	<u>Liability</u>
2018	\$ 18,640,000	~63%	\$ 11,700,000
2017	17,717,000	~66%	11,700,000

These costs are based on what it would presently cost to perform all closure and post-closure care. Actual costs may be more or less due to inflation, changes in technology or changes in regulations.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO THE FINANCIAL STATEMENTS (cont.)  
JUNE 30, 2018 AND 2017**

**NOTE 10. CLOSURE AND POSTCLOSURE-CARE COST (cont.)**

The District estimates the remaining site life and capacity for each of the County's landfills to be as follows as of June 30, 2018:

	Remaining Site Life	<u>Capacity Used</u>
Lander – Phases 2–5	9 years	80 %
Riverton – Sand Draw	41 years	23 %
Shoshoni	1 year	95 %
Dubois Expansion	54 years	8 %

State and federal laws require the District to provide financial assurance that the closure and post-closure care requirements will be met. The District participates in a guarantee program administered by the State of Wyoming. Participation in this program satisfies the financial assurance requirements. The effective date of compliance with these requirements was April 9, 1997. The annual contributions amounted to \$0 and \$28 for the years ended June 30, 2018 and 2017, respectively.

The landfills were previously required to be re-permitted by the Wyoming Department of Environmental Quality (WDEQ) every four years. The State now has a "lifetime" permit process which allows permitting for a 25-year period. The District has been granted "lifetime" permits for the Dubois, Sand Draw and Lander landfills. The District is currently in the public comment phase for the closure permit for the Shoshoni landfill. The District plans to close the Shoshoni site during 2019.

The District has closed six sites. The State of Wyoming has assumed control over all six small landfills within Fremont County (Atlantic City, Jeffrey City, Hudson, Lysite, Pavillion and Missouri Valley), releasing the District of post-closure responsibilities and decreasing the amount of liability recognized by the District.

**NOTE 11. RELATED PARTIES**

The District has a Memorandum of Understanding with Community Entry Services (CES) to advance the net proceeds of certain recycled products in exchange for sorting and monitoring delivery of recyclable materials. One of the current Board members of the District is employed by CES.

**Required Supplementary Information**

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
BUDGETARY COMPARISON SCHEDULES  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	2018			2017		
	Budget Original/ Final	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)	Budget Original/ Final	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
BUDGETARY FUND BALANCE -	\$ 11,805,000	\$ 11,675,749	\$ (129,251)	\$ (353,312)	\$ 9,824,793	\$ 10,178,105
RESOURCES (INFLOWS)						
Taxes, primarily property	2,212,870	2,225,116	12,246	2,358,528	2,360,679	2,151
Intergovernmental	25,000	41,900	16,900	25,000	48,391	23,391
Charges for services	2,334,500	3,205,755	871,255	2,215,500	2,723,957	508,457
Realized gains on investments	70,000	166,016	96,016	28,000	45,060	17,060
Unrealized gains (losses) on investments	-	(127,552)	(127,552)	-	(33,216)	(33,216)
Miscellaneous income	4,300	3,575	(725)	4,600	2,656	(1,944)
Sale of capital assets	0	11,861	11,861	0	0	0
Amount available for appropriation	16,451,670	17,202,420	750,750	4,278,316	14,972,320	10,694,004
CHARGES TO APPROPRIATIONS (OUTFLOWS)						
Current						
Wages	1,144,000	1,073,024	70,976	1,164,000	1,086,709	77,291
Employee benefits	666,679	557,029	109,650	684,491	568,931	115,560
Bad debt expense	0	-	-	0	2,565	(2,565)
Bale station operation and maintenance	33,000	10,856	22,144	8,000	411	7,589
Engineering fees	330,000	356,630	(26,630)	321,000	254,568	66,432
Equipment repairs	300,700	168,642	132,058	155,250	66,211	89,039
Financial assurance and regulatory fees	5,000	3,225	1,775	5,000	728	4,272
Insurance	46,100	43,425	2,675	39,600	36,777	2,823
Leases	40,000	27,285	12,715	30,000	26,924	3,076
Office expenses and travel	59,000	45,080	13,920	47,000	43,169	3,831
Operation and maintenance	255,000	200,258	54,742	310,000	218,693	91,307
Professional fees	92,950	52,037	40,913	99,950	47,522	52,428
Recycling	226,700	147,754	78,946	226,700	159,201	67,499
Scale houses	20,000	19,120	880	19,000	17,268	1,732
Site improvements and maintenance	70,000	61,211	8,789	155,250	79,258	75,992
Supplies	14,000	7,429	6,571	11,175	15,776	(4,601)
Transfer stations	254,000	250,922	3,078	250,000	251,846	(1,846)
Utilities	185,000	156,823	28,177	175,000	232,332	(57,332)
Capital outlay	986,045	117,358	868,687	576,900	187,682	389,218
Total charges to appropriations	4,728,174	3,298,108	\$ 1,430,066	4,278,316	3,296,571	\$ 981,745
BUDGETARY FUND BALANCE - ENDING	\$ 11,723,496	\$ 13,904,312		\$ -	\$ 11,675,749	
<b>Reconciliation of total charges to appropriations - actual (budgetary basis) to total expenditures</b>						
Total charges to Appropriations - Actual (budgetary basis, as above)		\$ 3,298,108			\$ 3,296,571	
Encumbrances are not reported as expenditures on the Statement of Revenues, Expenditures, and Changes in Fund Balance.		0			0	
Total expenditures (GAAP Basis) (page 11)		\$ 3,298,108			\$ 3,296,571	

(See accompanying Report of Independent Auditor and Note to Budgetary Comparison Schedules.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTE TO THE BUDGETARY COMPARISON SCHEDULES  
JUNE 30, 2018 AND 2017**

**NOTE A - BUDGETARY ACCOUNTING**

The budgetary comparison schedules have been prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the governmental fund financial statements. The modified accrual basis of accounting and account groupings reflected in the governmental fund financial statements differ from the presentation and account groupings required by Wyoming Statutes for Board of Directors' budgetary control at the functional level, as described in Note 2 to the Financial Statements. There were no instances in which actual expenditures exceeded budgeted expenditures at the functional levels required by Wyoming Statutes.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
SCHEDULE OF DISTRICT'S SHARE OF THE NET PENSION LIABILITY - WRS PUBLIC EMPLOYEES PENSION PLAN  
LAST 10 FISCAL YEARS \***

Plan Year	Employer's Portion of NPL	Employer's Proportionate Share of NPL ( a )	Employer's Covered Employee Payroll ( b )	Employer's NPL as a Percentage of Covered Payroll ( a/b )	Plan Net Position as a Percentage of Total Pension Liability
2015	0.070184606%	\$ 1,238,542	\$ 1,223,672	101.22%	79.08%
2016	0.057856825%	1,347,687	1,037,030	129.96%	73.40%
2017	0.057254500%	1,384,128	1,024,044	135.16%	73.42%
2018	0.059365500%	1,353,142	1,033,483	130.93%	76.35%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of December 31, 2017.

(See Report of Independent Auditor and Notes to WRS Public Employees Pension Plan Schedules.)

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
SCHEDULE OF DISTRICT CONTRIBUTIONS - WRS PUBLIC EMPLOYEES PENSION PLAN  
LAST 10 FISCAL YEARS \***

Fiscal Year	Statutorily Required Contribution (a)	Actual Employer Contribution (b)	Contribution Deficiency (Excess) (a - b)	Employer's Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b / c)
2013	\$ 105,169	\$ 105,169	\$ -	\$ 1,477,089	7.12%
2014	97,254	97,258	(4)	1,365,926	7.12%
2015	83,055	83,055	-	1,089,957	7.62%
2016	85,449	85,449	-	1,020,898	8.37%
2017	86,144	86,144	-	1,029,201	8.37%
2018	86,503	86,503	-	1,033,483	8.37%

\* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30, 2018.

(See Report of Independent Auditor and Notes to WRS Public Employees Pension Plan Schedules.)



**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT  
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)  
NOTES TO WRS PUBLIC EMPLOYEES PENSION PLAN SCHEDULES  
JUNE 30, 2018**

**1. CHANGES IN BENEFIT TERMS**

There were no changes in benefit terms during the Plan year ended December 31, 2017.

**2. CHANGES IN COMPOSITION OF THE POPULATION**

There were no changes in composition of the population during the Plan year ended December 31, 2017.

**3. CHANGES IN ASSUMPTIONS**

The current assumptions used in the actuarial valuation were adopted by the Board effective August 23, 2017 and were first utilized with the January 1, 2018 valuation report. Below is a summary of the changes in assumptions:

- Inflation: reduce the current assumption of 3.25% to 2.25%;
- Real rate of return: increase the current assumption from 4.50% to 4.75%;
- Nominal rate of return: decrease the nominal investment return assumption from 7.75% to 7.00%;
- Wage inflation: reduce the wage inflation assumption from 4.25% to 2.50%;
- Payroll growth: reduce the assumed growth in total payroll from 4.25% to 2.50%;
- Administrative expenses: recommend reducing the assumed annual increase in expenses from 6.50% per year to 2.50%;
- Post-retirement mortality: decrease male set back to zero and multiplier to 100%. Decrease female multiplier to 88%;
- Pre-retirement mortality: decrease male set back to zero and multiplier to 100%. Decrease female set back to zero and multiplier to 88%;
- Disables mortality: decrease male and female set back to zero and multiplier to 100%;
- Salary increase: decrease the assumed salary increases and to move from age-based merit and promotion increases to service-based merit and promotional increases;
- Retirement (unreduced retirement): modify the retirement rates to reflect actual experience;
- Early (reduced) retirement: modify the retirement rates to reflect actual experience;
- Termination (withdrawal): adjust rates to reflect observed experience;
- Disability: reduce rates to reflect observed experience.

The assumption changes increased the State's accrued liability by \$278 million (a 3% increase).

## **Compliance Reports**

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## Independent Auditor's 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*

Board of Directors  
Fremont County Solid Waste Disposal District  
Lander, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Fremont County Solid Waste Disposal District ("the District"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 16, 2018.

### Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as Finding 2018-001, that we consider to be a significant deficiency.

## **Compliance and Other Matters**

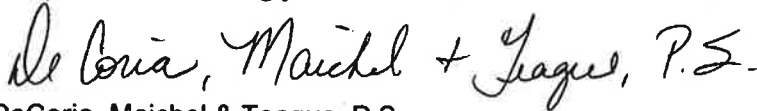
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

## **The District's Response to the Finding**

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The sole purpose of this report is 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.



DeCoria, Maichel & Teague, P.S.  
Spokane, Washington

October 16, 2018

**Fremont County Solid Waste Disposal District  
Schedule of Findings and Responses  
Year Ended June 30, 2018**

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

*Financial Statements*

The report of independent auditor expressed an unmodified opinion on the basic financial statements of Fremont County Solid Waste Disposal District.

The audit of the financial statements of Fremont County Solid Waste Disposal District disclosed a significant deficiency in internal control over financial reporting.

The significant deficiency in internal control over financial reporting was not considered to be a material weakness.

The audit disclosed no compliance findings material to the financial statements of Fremont County Solid Waste Disposal District.

**Section II – Financial Statement Findings:**

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

**Finding 2018-001**

Condition	The size of the District’s staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.
Criteria	An effective system of internal control over financial reporting requires that closely related duties be segregated.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish a complete system of automatic internal checks on the accuracy and reliability of the accounting records.
Cause	The District’s staff is too small to allow a complete segregation of duties for an effective system of internal control over financial reporting.
Recommendation	Although the District’s staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting, we recommend that those responsible for governance be aware that the condition does exist.
Management’s Response	Management and the Board of Directors are aware of this condition and have made a conscious decision to accept the resulting degree of risk because of cost or other considerations.

**Fremont County Solid Waste Disposal District  
Status of Prior Year Findings  
Year Ended June 30, 2018**

**Finding 2017-001**

**Condition:** The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.

**Status:** This condition continues to exist at June 30, 2018. See Finding 2018-001.