



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

December 16, 2020 - 9:30 a.m.

1. PRELIMINARY ITEMS:

- a. Pledge of Allegiance
- b. Roll Call: Michael Adams, Steve Baumann, Gary Weisz, Rick Klaproth, Mark Moxley, Rob Dolcater, Rod Haper, Jennifer Lamb, and Robert Townsend
- c. Declaration of Quorum
- d. Approval of Agenda (*Discussions and Formal Action*)
- e. Public Comment / Communication from the Floor

2. CONSENT ITEMS:

- a. Approval of the Meeting Minutes
 - i. November 2020
- b. Approval of the Accounts Payable
 - i. November 2020
- c. Acceptance of Consultants and Agreement Reports
 - i. Trihydro Corporation
 - ii. Burns and McDonnell
 - iii. Wind River Inter-Tribal Solid Waste – *no report submitted*
- d. Acceptance of Staff Reports
 - i. Superintendent Report

3. BUSINESS ITEMS:

- a. Carver, Florek, & James CPAs – FY2019-2020 Financial Audit (*Presentation*)
- b. Teton County Request for Deer Carcass Disposal (*Discussion*)
- c. Operational Evaluation and Strategic Planning Project Update – Matt Evans (*Discussion*)
- d. Shoshoni Landfill – Closure Timeline (*Discussion and Formal Action*)
- e. Executive Session - Personnel

4. NEW BUSINESS

5. CLOSING ITEMS:

- a. Upcoming Meeting(s):
 - i. The next Regularly Scheduled Meeting(s): January 18, 2021, at 9:30 a.m.
- b. Call for Adjournment



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FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT

Minutes of Regular Board Meeting

November 16, 2020

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 VICE-CHAIRMAN ADAMS at 9:30am. VICE-CHAIRMAN ADAMS then led the Pledge of Allegiance and declared that there was a quorum of the Board with the following people in attendance:

<u>Board Members:</u>	Rod Haper (via Zoom), Michael Adams, Rick Klaproth, Gary Weisz, Jennifer Lamb (via Zoom), Robert Townsend, Steve Baumann, Rob Dolcater (via phone), and Mark Moxley (via Zoom)
<u>Excused Member(s):</u>	No Excused Members
<u>Unexcused Member(s):</u>	No Unexcused Members
<u>Commissioner Liaison:</u>	No Commissioner Liaison
<u>Community Liaisons:</u>	Kyle Larson (City of Riverton)
<u>Attorney:</u>	Rick Sollars (Western Law & Assoc.)
<u>Staff:</u>	Superintendent Andy Frey
<u>Consultant(s):</u>	Matt Evans (Burns and McDonnell) via Zoom, Susan Brodie, and Tim Robeson (Tegeler and Associates)
<u>Guest(s):</u>	No Guests in Attendance

d. **Approval of Agenda**

BOB TOWNSEND made a motion to approve the consent agenda. GARY WEISZ seconded the motion. **MOTION CARRIED**

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

VICE-CHAIRMAN ADAMS opened the floor to public comment.

Public Comment: Kyle Larson thanked the Board on behalf of the City of Riverton for the financial assistance with purchasing a new tub grinder.

2. **CONSENT ITEMS:**

a. **Approval of Prior Meeting Minutes**

- i. October 2020

b. **Approval of Accounts Payable**

- i. October 2020 Invoices

c. **Acceptance of Consultants Reports:**

- i. Trihydro Corporation – Progress Report
- ii. Burns and McDonnell – Progress Report
- iii. Wind River Indian Reservation Inter-Tribal Solid Waste Program – No Report Submitted

d. **Acceptance of Staff Reports:**

- i. Superintendent Report

3. OTHER ITEMS OF BUSINESS:

a. **Health Benefit Discussions – Tim Robeson of Tegeler and Associates (*Discussion*)**

Superintendent Frey informed the Board that Tim Robeson with Tegeler was asked to compare pricing for the District's Health Benefit with other vendors on to see if any savings were available. He joined the meeting today to present his findings.

Tim Robeson discussed his findings: (1.) Only carriers of a self-funded nature were reviewed. (2.) Cigna, National General Benefits, and Etna declined the opportunity due to the current prescription usages by the District insured group. (3.) United Health Care did not offer cost effective plans. (4.) Mountain Health Coop is not HSA applicable and quite new and unproven. (5.) Blue Cross Blue Shield is the current provider and the only other applicable opportunity. (6.) He recommended remaining with Blue Cross Blue Shield.

b. **Operational Evaluation and Strategic Planning Project (*Discussions and Formal Action*)**

Matt Evans (Burns and McDonnell) provided the Board an update on the project, reviewing (1.) the revised traffic routes for in-bound/out-bound traffic at the new Lander layout, (2.) an update on the cost-of-service for recycling and that it did not remove any airspace savings.

Discussion(s): (1.) Ensure an option to allow traffic in/out without crossing the scale. (2.) If the avoided expenses were considered, the missed revenues would then be included in the evaluation leading to a larger loss through recycling and waste diversion. (3.) Planning committee will meet prior to the next meeting.

c. **Semi-Truck Bids (*Discussions and Formal Action*)**

Superintendent Frey informed the Board that included in the Board packets was a detailed bid review summary. Consistent with the bid review summary, a recommendation was made to award the truck bid to Floyds' Trucks for the purchase of a Western Star truck as per their bid submittal with a purchase price of \$149,494.

STEVE BAUMANN made a motion to approve the Superintendent's recommendation. SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

d. **Side-Dump Trailer Bids (*Discussions and Formal Action*)**

Superintendent Frey informed the Board that included in the Board packets was a detailed bid review summary. Consistent with the bid review summary, a recommendation was made to award the trailer bid to Floyds' Trucks for the purchase of a Western Star truck as per their bid submittal with a purchase price of \$53,846.

STEVE BAUMANN made a motion to approve the Superintendent's recommendation. BOB TOWNSEND seconded the motion. **MOTION CARRIED**

Discussion: (1.) The question was asked if the Jet trailer is as robustly built as the competitors. (2.) The trailer bid met the specifications.

e. **Freedom of Information Act Draft Policy Review (*Discussions and Formal Action*)**

Superintendent Frey informed the Board that included in the Board packets was a draft Freedom of Information Act policy for Board review and comment. Following any final modifications, the District will begin the 45-day public notice period followed by a public hearing at a regularly scheduled Board meeting, with adoption to follow.

f. **December FSCWDD Board Meeting Date (*Discussions*)**

Superintendent Frey discussed with the Board the December meeting date and requested moving the meeting date to the week before to avoid any travel plans the week of Christmas.

BOB TOWNSEND made a motion to move the December meeting date to December 16, 2020, at the regular time.

SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

4. **NEW BUSINESS** *No New Business*

5. **CALL FOR ADJOURNMENT**

BOB TOWNSEND made a motion to adjourn at 10:44AM. GARY WEISZ seconded the motion. **MOTION CARRIED**

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

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

- i. December 16, 2020, at 9:30am.

Respectfully submitted by,

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

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



memorandum

To: Andy Frey, P.E., Superintendent, Fremont County SWDD
From: Jeff Young, P.E.
cc: Fremont County SWDD Board
Date: December 10, 2020
Re: Project Updates for December Board Meeting

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 – 2020-2021 Environmental Activities Monitoring (Task Order 10-028 / Trihydro Project 09Y-008-006)

Trihydro conducted routine groundwater and methane monitoring during the week of October 12, 2020. All laboratory reports have been received and statistical analysis is underway for all facilities. We anticipate finalizing the reports in late December. The next routine event will be quarterly methane monitoring during the first quarter of 2021.

The next set of reports for the Sand Draw Title V air permit will be prepared in January 2021.

Superintendent Frey has recently contacted Caroline Brewer to continue discussions regarding possible installation of an up-gradient well under the SHWD Landfill Remediation Program at the Shoshoni Landfill (or other related scenarios) as well as similar scenarios at the Lander Landfill. In general, these discussions are pertinent to:

1. establishment of a groundwater classification by WQD and SHWD as relevant to determining compliance through post-closure and
2. the groundwater monitoring network/data that will be required to demonstrate groundwater is no longer being impacted by the facility, as is required to terminate the post-closure period.

Technical Assistance (Task Order 10-027 / Trihydro Project 09Y-005-007)

Technical assistance activities during the previous month included:

- A project status report was prepared for the monthly Board meeting.



Andy Frey, FCSWDD
December 10, 2020
Page 2

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

Trihydro continues to discuss the closure schedule with Superintendent Frey, at this time, the closure has been delayed and Superintendent Frey will advise us of any changes.

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), or stop by our office at 388 Main Street, Suite C, in Lander.

Attachment:

- None

END OF MEMORANDUM

Memorandum



Date: December 10, 2020

To: Andy Frey, PE, Fremont County Solid Waste Disposal District

From: Matt Evans, PE

Subject: Progress Report – December 2020

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

Operational Efficiency Study and Strategic Plan

The Operational Efficiency Study is in progress. A full cost accounting model of the current District operations has been developed that identifies the cost per ton of various materials managed by the District. Tables presenting the costs per ton, by facility, have been shared with the Board.

In addition to the full cost accounting model, Burns & McDonnell is working on developing an Operational Efficiency Study report that will summarize research, site development plans, and analysis of the current operations and alternatives for some of the key transition decisions that need to be made as the Lander landfill reaches capacity and primary landfill operations are shifted to Sand Draw. Ultimately, the Operational Efficiency Study report will be combined with a to be developed Preferred Long-Term Option report into a Strategic Plan.

Capacity Audits

Draft capacity audit reports are being reviewed with the Superintendent. Once finalized, the reports will be presented to the Board.

This year's capacity audit reports will include discussion regarding:

- Post-closure costs after 30-years
- Closure costs if the District's landfills had to be closed today (i.e., immediate closure costs)

Technical Engineering Assistance

Burns & McDonnell completed our monthly progress report, invoice and overall project management related to the administration of the project as part of this task.

Additionally, Burns & McDonnell and the Superintendent are working on a straightforward summary of the District's financial position that includes a summary of cash balances, savings, current and projected operational costs (labor, equipment, and operation and maintenance), and future capital costs (equipment and construction). The audience for this summary is expected to be County commissioners and others that are interested in better understanding what the District's annual budget is used for and why there is millions of dollars in savings.

Memorandum *(continued)*



December 10, 2020

Page 2

Capital Improvement Plan Modeling

Burns & McDonnell has updated the budget model. The model is being used as the foundation for the financial analysis being completed as part of the Operational Efficiency and Strategic Planning Study.

Dubois Landfill Cell Excavation Plan Preparation

An excavation plan for the expansion of the Dubois C/D landfill cell has been developed and is attached. The following are the next steps for the C/D landfill excavation project.

- WHS completes a review of the proposed plan
- Prepare plans and specs for contractor bidding of remaining excavation of the landfill cell (currently, the plan is to get this out to bid in late January, after the January Board meeting)
- Contractor excavates and stockpiles as part of a construction project
- Survey permanent marker locations for edge of landfill
- District places permanent markers

On-call Surveying

No on-call surveying has been performed since the last board report.

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 612-240-2094 or maevans@burnsmcd.com at your earliest convenience.

Fremont County Solid Waste Disposal District
Superintendent Report
December 10, 2020

Office/Staff/Board/Inter-Government

Office:

1. The calculated tonnages and cost per ton are as follows (calculated using monthly expenses and monthly tonnages):
 - a. 2013 = \$140 & 31,472 total tons
 - b. 2014 = \$176 & 27,562 total tons
 - c. 2015 = \$99 & 31,890 total tons
 - d. 2016 = \$103 & 29,659 total tons
 - e. 2017 = \$102 & 33,483 total tons
 - f. 2018 = \$106 & 36,352 total tons
 - g. 2019 = \$88 & 41,900 total tons
 - h. 2020 = \$86 per ton & 27,300 total tons – for the first three quarters of the year

Staff:

1. 2020 – the **annual District safety training** had been scheduled with both LGLP and Peak Environmental. The Tribal Solid Waste staff and the Transfer Station Volunteer groups have been notified. → **still cancelled due to the COVID-19 issue.**
2. December 2020: 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, the Sand Draw Landfill, the Shoshoni Landfill, and the rural transfer stations) has not had a single lost-time accident/incident in **5 years and 5 months**, and the **Lander Area** staff (i.e. Lander Landfill and the Dubois Landfill) had one lost-time accident early on but has now made it **4 years and 11 months!!**
3. October/November 2020: Development of **in-house equipment operational safety training** was completed for all varieties of District equipment and vehicles. It offers 13 modules of training that will be covered a minimum of annually, but also immediately with all new hires.
4. December 2020: Development of **in-house training documents** associated with Hazardous Waste and PCB Identification training is underway. It is our intention to develop a more user-friendly training program with a better means of relating to our own operations.

Board:

1. December 2020: Three Board members had their terms set for expiration at the end of the year (i.e. Steve Baumann, Rob Dolcater and Rick Klaproth). All three reapplied and interviewed at the December 8, 2020, meeting along with three additional candidates. All three of the incumbents were re-assigned to another three-year term.
2. 2020 – Below is the current list of **Board Committees and Members.**
 - a. Recycling Committee: Jennifer Lamb, Gary Weisz, Bob Townsend, and Mark Moxley.
 - b. Health Benefit and Wage Committee: Rob Dolcater, Mike Adams, Gary Weisz, and Rick Klaproth.
 - c. Planning Committee: Bob Townsend, Steve Baumann, Jen Lamb, and Gary Weisz.

- d. Budget Committee: Rick Klaproth, Gary Weisz, Rob Dolcater, and Mark Moxley.
- e. WRIR Solid Waste Negotiations Committee: Rod Haper, Steve Baumann, Gary Weisz, and Mark Moxley.

Inter-Government:

- 1. State – **No Updates**
- 2. County – **No Updates**
- 3. Municipalities:
 - a. October 2020: A meeting with Kyle Butterfield (Riverton Public Works Director) and Brian Eggleston (Operations Division Manager) was held at the Riverton City Hall to discuss a number of current events (i.e. the District's Operational Efficiency Evaluation and Strategic Planning project, the City of Riverton Yard Waste program, stormwater management and changes around the Riverton Transfer Station, etc.).

Regulatory/Engineering/Legal/General Contractors

Regulatory:

- 1. August/September/October 2020: Craig McOmie from the WDEQ communicated their interest in installing an **additional monitoring well at the Shoshoni Landfill** in an area they feel would better represent up-gradient water. The WDEQ would cover the cost of the well and the District would then be required to include the well into the monitoring network (i.e. include in the testing, reporting, etc.). Their intent is to use the data for classifying the groundwater more clearly.
 - a. Caroline Brewer (Trihydro) and I have been discussing the idea and what possible consequences may exist. There is minimal gain yet identified by the District outside of additional expenses with the landfill nearing closure within 6-10 months.
 - b. November 2020: The question was again asked of the WDEQ if the new well was installed if they would then remove the other two wells that have been considered upgradient from the network. The WDEQ confirmed that they would as long as the new well analytical proved without man-made impacts.

Engineering:

- a. Trihydro: (1.) Environmental Monitoring (2.) Groundwater Classifications (3.) Groundwater Statistical Methodology Review (4.) Shoshoni Landfill Closure Plans and Specifications
- b. Burns and McDonnell: (1.) Capacity Audits (2.) Surveying (3.) Operational Efficiency Evaluation and Strategic Planning (4.) Dubois Excavation Plans.

Legal – No Updates

General Contractors:

- a. December 2020: The **Scrap Metal Processing** contractor completed the processing efforts.
- b. November 2020: In conversation with the new auditors regarding the presentation of the District's current financial liability in the **final audit report** the calculation was discussed in detail. The GASB-18 formula is intended to calculate a liability based on the volume of any landfill space consumed; however, it does not accurately

represent the actual financial liability associated with a landfill closure at any moment in time. When people reference the audit and reported liability they would not know the approach used as directed by GASB-18 and would be very misrepresentative of the actual financial liability.

Sites/Operations/Equipment:

Sites – **No Updates**

Operations – **No Updates**

Equipment:

- a. October/November 2020: Following the bid process and award process for the three **new backhoes**, there has been communication from Wyoming Machinery that the plant shut-downs in Europe may impact the delivery date. Once they determine actual impacts the adjusted timeline will be relayed to the District.
- b. November 2020: Following Board action at the November meeting the bid award has been delivered for the **new semi-tractor**.
- c. November 2020: Following Board action at the November meeting the bid award has been delivered for the **new side-dump trailer**.

Miscellaneous/Upcoming Work & Events/Work in Progress:

Miscellaneous – **No Updates**

Upcoming Work & Events – **No Updates**

Thank you,

A handwritten signature in blue ink, appearing to read 'Andrew Frey', with a long, sweeping horizontal line extending to the right.

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



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

We have audited the financial statements of Fremont County Solid Waste Disposal District (the District) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 24, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 31, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding significant control deficiencies over financial reporting and material weaknesses and material noncompliance, and other matters noted during our audit in the 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* dated November 24, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements are the valuation of the closure and post-closure care costs liability.

Management's estimate of the closure and post-closure care costs liability is based on professional engineering estimates of costs required for closure of landfills and compliance with state and federal regulations as well as the volume and airspace utilization at the various landfills. We evaluated the key factors and assumptions used to develop the closure and post-closure care costs liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Overall, the financial statement disclosures are neutral, consistent and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures.

The material misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management and a description of these misstatements is provided in Note 12 to the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 24, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

During our audit we identified internal control deficiencies that constitute a material weakness and a significant deficiency that we have communicated in the Schedule of Findings and Responses.

Existence of a Material Misstatement that Affects the Financial Statements of a Prior Period in Which There Was a Predecessor Auditor

We have identified the existence of a material misstatement that affects the prior period financial statements on which the predecessor auditor had previously reported without modification.

The misstatements identified during our audit and the required restatements are described in Note 12 to the financial statements.

This report is intended solely for the information and use of the Board of Directors, and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Carver Flock & James, CPAs

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

Financial Report

June 30, 2020
(With Independent Auditors' Report Thereon)

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FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis
For the Year Ended June 30, 2020

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, 2020.

Financial Highlights

As of June 30, 2020, the District's total assets and deferred outflows of resources were \$26,269,738 and the total liabilities and deferred inflows of resources were \$11,017,391. Included in the liabilities is an estimate for future closure and post-closure care costs in the amount of \$9,100,000. The closure and post-closure liability was restated for years 2019 and 2018, resulting in a decrease in the liability in the amounts of \$1.5 and \$1.4 million, respectively (Note 12). This estimate is based on estimated future costs adjusted for capacity used as of June 30, 2020. Also included in liabilities is the District's proportionate share of the net pension liability for the Wyoming Retirement System in the amount of \$1,443,695.

During fiscal year 2020, the District had total revenue of \$6,141,193 and \$4,052,947 of expense. The net position increased by \$2,088,246 for the year ended June 30, 2020.

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 3 and 4 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 5 through 8 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 9 through 28 of this report.

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis (cont.)
For the Year Ended June 30, 2020

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, 2020 with comparative data for June 30, 2019.

Condensed Statements of Net Position

	June 30, <u>2020</u>	June 30, <u>2019</u>	Change Favorable (Unfavorable)
Current assets	\$ 20,376,273	\$ 17,984,371	\$ 2,391,902
Noncurrent assets	5,792,777	5,759,866	32,911
Deferred outflows of Resources	<u>100,688</u>	<u>401,505</u>	<u>(300,817)</u>
Total assets and deferred outflows of resources	<u>26,269,738</u>	<u>24,145,742</u>	<u>2,123,996</u>
Current liabilities	230,803	343,146	112,343
Noncurrent liabilities	10,533,695	10,575,121	41,426
Deferred inflows of resources	<u>252,893</u>	<u>63,374</u>	<u>(189,519)</u>
Total liabilities and deferred inflows of resources	<u>11,017,391</u>	<u>10,981,641</u>	<u>(35,750)</u>
Total Net Position	\$ <u>15,252,347</u>	\$ <u>13,164,101</u>	\$ <u>2,088,246</u>

The increase in current assets is primarily an increase in cash and investments as a result of revenues exceeding expenses due to some large demolition projects in Fremont County.

Condensed Statements of Activities

	Year Ended June 30, <u>2020</u>	Year Ended June 30, <u>2019</u>	Change Favorable (Unfavorable)
Program Expenses	\$ (4,052,947)	\$ (2,150,397)	\$ (1,902,550)
Program Revenues	<u>3,180,873</u>	<u>4,893,551</u>	<u>(1,712,678)</u>
Net Program Revenue (Expense)	<u>(872,074)</u>	<u>2,743,154</u>	<u>(3,615,228)</u>
General Revenues			
Tax revenue	2,450,726	2,316,203	134,523
Other general revenue	<u>509,594</u>	<u>478,063</u>	<u>31,531</u>
Total General Revenue	<u>2,960,320</u>	<u>2,794,266</u>	<u>166,054</u>
Increase in Net Position	\$ <u>2,088,246</u>	\$ <u>5,537,420</u>	\$ <u>(3,449,174)</u>

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis (cont.)
For the Year Ended June 30, 2020

Financial Summary and Analysis, Continued

The significant decrease in Net Program activity from 2019 to 2020 was a combination of reduced program revenues (approximately \$1.7 million) from the completion of large demolition projects in 2019 and a reduction of landfill closure costs (\$1.5 million) due to approved regulatory changes to the final landfill cover (see Note 12).

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, 2020. The Budgetary Comparison Schedules can be found with the supplementary information of these financial statements on page 29.

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 \$754,120 to the committed fund balance for the fiscal year ended June 30, 2020.

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 increased approximately 4% for the budget year 2019-2020 as compared to budget year 2018-2019.

Capital Assets and Debt Administration

The District's capital assets, net of accumulated depreciation, increase \$32,911. This net increase is the result of an increase in assets in the amount of \$535,109 and reduced by depreciation expense in the amount of \$502,198.

The District has no outstanding debt obligations as of the fiscal year ended June 30, 2020.

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, 2020 and 2019, the waste received by service areas follows:

Service Area	Tons of Waste Received		Type of Waste
	<u>2020</u>	<u>2019</u>	
Lander Area	31,829	40,056	MSW, CDW, other
Riverton-Sand Draw	3,653	6,218	MSW, CDW, other
Shoshoni	3,483	3,285	CDW only
Dubois	578	449	CDW, other

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis (cont.)
For the Year Ended June 30, 2020

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 fiscal year 2020-2021.

According to *census.gov/quickfacts*, the estimated 2019 population of Fremont County is 39,261, which equates to approximately 2,014 pounds and 2,547 pounds of waste per person disposed in the County's landfills for the years ended June 30, 2020 and 2019, 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.

INDEPENDENT AUDITORS' REPORT

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 information of Fremont County Solid Waste Disposal District (the District), a component unit of Fremont County, Wyoming, as of and for the year ended June 30, 2020, 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 the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 audit to obtain reasonable assurance about whether the financial statements are free of 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, 2020, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison information, schedule of proportionate share of the net pension liability – Wyoming Retirement System and the schedule of contributions – Wyoming Retirement System, as listed in the table of contents, 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Auditors & Restatement Adjustments

The financial statements of Fremont County Solid Waste Disposal District for the year ended June 30, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on October 21, 2019. As part of our audit of the June 30, 2020 financial statements, we also audited the adjustments described in Note 12 that were applied to restate the June 30, 2019 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2019 financial statements of the District other than with respect to the adjustments described in Note 12, and accordingly, we do not express an opinion or any other form of assurance on the June 30, 2019 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 24, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Carver Florek & James, CPAs

Sheridan, Wyoming
November 24, 2020

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	2020	2019
<u>ASSETS</u>		
Current assets		
Cash, cash equivalents and investments	\$ 19,814,553	\$ 17,383,858
Receivables, net of allowance for uncollectible accounts		
Accounts receivable	208,344	291,467
Taxes receivable	56,000	42,000
Intergovernmental and grants receivable	27,191	31,542
Interest receivable	15,000	5,186
Prepaid expenses	38,818	34,449
Due from primary government	216,367	195,869
Total current assets	20,376,273	17,984,371
Noncurrent assets		
Nondepreciable capital assets	180,856	180,856
Depreciable capital assets, net of accumulated depreciation	5,611,921	5,579,010
Total noncurrent assets	5,792,777	5,759,866
Total assets	26,169,050	23,744,237
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows - related to pensions	100,688	401,505
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued expenses	143,648	269,544
Compensated absences	87,155	73,602
Total current liabilities	230,803	343,146
Noncurrent liabilities		
Closure and post-closure care	9,100,000	8,800,000
Net pension liability	1,433,695	1,775,121
Total noncurrent liabilities	10,533,695	10,575,121
Total liabilities	10,764,498	10,918,267
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows - related to pensions	252,893	63,374
<u>NET POSITION (restated, see note 12)</u>		
Net invested in capital assets, net of related debt	5,792,777	5,759,866
Unrestricted	9,459,570	7,404,235
Total net position (restated, see note 12)	\$ 15,252,347	\$ 13,164,101

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

FREMONT COUNTY SOLID WASTE DIPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Program expenses		
Wages	\$ 1,148,926	\$ 1,083,991
Employee benefits	793,572	716,006
Bad debt expense	86	51
Bale station operation and maintenance	7,302	19,094
Engineering fees	187,551	210,418
Equipment repairs	140,229	128,124
Financial assurance and regulatory fees	814	834
Insurance	32,744	33,409
Leases	24,354	20,761
Office expenses and travel	51,777	49,574
Operation and maintenance	177,003	202,330
Professional fees	48,402	49,840
Recycling	127,823	113,137
Scale houses	22,662	18,641
Site improvements and maintenance	93,975	123,991
Supplies	12,984	14,853
Transfer stations	260,344	260,366
Utilities	120,201	124,588
Change in closure and post-closure liability	300,000	(1,500,000)
Depreciation	502,198	480,389
Total program expenses	<u>4,052,947</u>	<u>2,150,397</u>
Program revenues		
Charges for services	3,123,168	4,850,705
Operating grants and contributions	57,705	42,846
Total program revenues	<u>3,180,873</u>	<u>4,893,551</u>
Net program revenues (expenses)	<u>(872,074)</u>	<u>2,743,154</u>
General revenues		
Taxes, primarily property	2,450,726	2,316,203
Realized gains on investments	239,690	399,816
Unrealized gains (losses) on investments	269,734	76,218
Miscellaneous income	170	2,029
Total general revenues	<u>2,960,320</u>	<u>2,794,266</u>
Increase in net position	2,088,246	5,537,420
Net position - beginning of year (restated, see note 12)	13,164,101	7,626,681
Net position - end of year	<u>\$ 15,252,347</u>	<u>\$ 13,164,101</u>

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

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
BALANCE SHEETS
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Cash, cash equivalents and investments	\$ 19,814,553	\$ 17,383,858
Receivables, net of allowance for uncollectible accounts		
Accounts receivable	208,344	291,467
Taxes receivable	56,000	42,000
Interest receivable	15,000	5,186
Prepaid expenses	38,818	34,449
Due from primary government	216,367	195,869
Total assets	<u>\$ 20,349,082</u>	<u>\$ 17,952,829</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>		
<u>AND FUND BALANCE</u>		
Accounts payable and accrued expenses	<u>\$ 143,648</u>	<u>\$ 269,544</u>
Total liabilities	143,648	269,544
Deferred inflows of resources		
unearned property taxes	<u>71,000</u>	<u>47,000</u>
Total of deferred inflows of resources	71,000	47,000
<u>FUND BALANCE</u>		
Nonspendable prepaide expenses	38,818	34,449
Committed for cash reserves	750,000	750,000
Committed for closure and post-closure obligations	14,617,116	13,862,996
Unassigned	<u>4,728,500</u>	<u>2,988,840</u>
Total fund balances	<u>20,134,434</u>	<u>17,636,285</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 20,349,082</u>	<u>\$ 17,952,829</u>

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

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT OF FREMONT COUNTY, WYOMING)
RECONCILIATION OF THE BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Total fund balance for government funds	\$ 20,134,434	\$ 17,636,285
Amounts reported for Fremont County Solid Waste Disposal District in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	5,792,777	5,759,866
Certain intergovernmental receivables are not available to pay current period expenditures and, therefore, are unearned in the fund financial statements.	27,191	31,542
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 government fund.	71,000	47,000
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 government fund:		
Compensated absences	(87,155)	(73,602)
Closure and post-closure care (restated, see note 12)	(9,100,000)	(8,800,000)
Net pension liability	(1,433,695)	(1,775,121)
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 government fund:		
Deferred outflows related to the net pension liability	100,688	401,505
Deferred inflows related to the net pension liability	(252,893)	(63,374)
Total net position of Fremont County Solid Waste Disposal District	<u>\$ 15,252,347</u>	<u>\$ 13,164,101</u>

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

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
<u>REVENUES</u>		
Taxes, primarily property	\$ 2,426,726	\$ 2,312,203
Intergovernmental	29,402	42,492
Charges for services	3,123,168	4,850,705
Grant revenues	32,654	-
Realized gains on investments	239,690	399,816
Unrealized gains on investments	269,734	76,218
Miscellaneous income	170	2,030
Total revenues	<u>6,121,544</u>	<u>7,683,464</u>
<u>EXPENDITURES</u>		
Wages	1,135,373	1,078,884
Employee Benefits	644,662	610,626
Bad debt expense	86	51
Bale station operation and maintenance	7,302	19,094
Engineering fees	187,551	210,418
Equipment repairs	140,229	128,124
Financial assurance and regulatory fees	814	834
Insurance	32,744	33,409
Leases	24,354	20,762
Office expenses and travel	51,777	49,574
Operation and maintenance	177,003	202,330
Professional fees	48,402	49,841
Recycling	127,823	113,137
Scale houses	22,662	18,641
Site improvements and maintenance	93,975	123,991
Supplies	12,984	14,853
Transfer stations	260,344	260,366
Utilities	120,201	124,588
Capital outlays	<u>535,109</u>	<u>891,968</u>
Total expenditures	<u>3,623,395</u>	<u>3,951,491</u>
Excess revenues over expenditures	<u>2,498,149</u>	<u>3,731,973</u>
Net change in fund balance	2,498,149	3,731,973
FUND BALANCE - BEGINNING	<u>17,636,285</u>	<u>13,904,312</u>
FUND BALANCE - ENDING	<u><u>\$ 20,134,434</u></u>	<u><u>\$ 17,636,285</u></u>

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

**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, 2020 AND 2019**

Amounts reported in the Statements of Activities are different because:

	<u>2020</u>	<u>2019</u>
Net changes in fund balance	\$ 2,498,149	\$ 3,731,973
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the difference between depreciation, \$502,198, and capital outlays, \$535,109, in fiscal year 2020; and depreciation, \$480,389, and capital outlays, \$891,968, in fiscal 2019.	32,911	411,579
Revenues in the Statements of Activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	19,649	4,354
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	(13,553)	(5,107)
Change in closure and post-closure care liability	(300,000)	1,500,000
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.	(148,910)	(105,379)
Change in net position of governmental activities	<u>\$ 2,088,246</u>	<u>\$ 5,537,420</u>

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

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.

Financial 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 District’s Board members 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, 2020, has not yet been issued but when it is it may be obtained at the Fremont County courthouse or at <http://fremontcountywy.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.

Basis of Presentation

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.

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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*.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of Statement No. 84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Statement No. 84 is effective for the District beginning in the fiscal year ending June 30, 2020. The District is currently evaluating the financial statement impact of adopting this statement.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments leasing activities. Statement No. 87 is effective for the District beginning in the fiscal year ending June 30, 2021. The District is currently evaluating the financial statement impact of adopting this statement.

Cash and Cash Equivalents

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 Activities and Statements of Revenues, Expenditures and Changes in Fund Balance.

Receivables

Receivables for property taxes and 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 in both the governmental fund financial statements and the governmentwide financial statements.

Capital Assets and Depreciation

Capital assets, including buildings, vehicles, furniture and 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Depreciation (Continued)

Expenditures for buildings and improvements having a useful life greater than five years and a value greater than \$10,000 are capitalized. Infrastructure assets with initial costs that equal or exceed \$25,000 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.

All property, plant and equipment are depreciated using the straight-line method with the following estimated useful lives:

<u>Classes of Assets</u>	<u>Useful Life</u>
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.

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, 2020, the assets or liabilities of the District that were measured at fair value on a recurring basis are summarized as follows:

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Investments measured at fair value at June 30, 2020

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Wyo-STAR	\$ 13,899,591	\$ -	\$13,899,591	\$ -
Edward Jones	5,041,987	5,041,987	-	-
Total investments measured at fair value	<u>\$ 18,941,578</u>	<u>\$ 5,041,987</u>	<u>\$13,899,591</u>	<u>\$ -</u>

Investments measured at fair value at June 30, 2019

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Wyo-STAR	\$ 10,876,649	\$ -	\$10,876,649	\$ -
Edward Jones	5,552,057	5,552,057	-	-
Total investments measured at fair value	<u>\$ 16,428,706</u>	<u>\$ 5,552,057</u>	<u>\$10,876,649</u>	<u>\$ -</u>

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.

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
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NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2020 and 2019, there were no outstanding encumbrances.

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, 2020 and 2019;

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.

Fund Balance

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.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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.

Subsequent Events

The District has evaluated subsequent events through November 24, 2020, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2020 that required recognition or disclosure in the financial statements.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

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.

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.

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.

	<u>2020</u>	<u>2019</u>
Cash on hand	\$ 8,322	\$ 6,212
Bank deposits	864,653	948,940
Investment pool	13,899,591	10,876,649
Investments - Federal bonds	<u>5,041,987</u>	<u>5,552,057</u>
Total cash and investments	<u>\$19,814,553</u>	<u>\$17,383,858</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, 2020, the District's deposits were insured by the FDIC up to \$250,000 at each bank.

The District's bank balances at June 30, 2020 totaled \$870,899. 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, 2020.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

3. CASH AND INVESTMENTS (Continued)

A summary of the total insured and collateralized bank balances at June 30, 2020 is as follows:

Insured by FDIC	\$ 415,930
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>454,969</u>
Total bank balance	<u>\$ 870,899</u>

As of June 30, 2020, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Wyo-STAR Local Government Investment Pools	224 days average	\$ 13,899,591
Edward Jones Investments	July 2020 - January 2023	<u>5,041,987</u>
Total Investments		<u>\$ 18,941,578</u>

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, 2020, 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, 2020, these investments represent approximately 73% and 27% of the District's total investments, respectively.

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

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Accounts receivable	\$ -	\$ -
Taxes and interest receivable	<u>44,000</u>	<u>20,000</u>
Total allowance	<u>\$ 44,000</u>	<u>\$ 20,000</u>

5. PROPERTY TAXES

The Fremont County Treasurer is responsible for collecting property taxes levied for the District and approved by the Fremont County Board of County Commissioners. The taxes are levied on the assessed valuation of the prior year according to the tax calendar below. Collections are distributed after the end of each month. Consequently, the vast majority of taxes have been levied and collected within the District's fiscal year. Assessed valuation and tax levies are subject to adjustment for prior years (rebates and supplemental), as controlled by the County or State. The District does not adjust or record estimates for these adjustments, as they are adjusted to current year tax receipts when they are approved. All taxes are included as revenue in the financial statements when received from the County. The tax calendar is as follows:

August 10	Taxes are levied and become an enforceable lien on properties.
September 1	First of two equal installment payments is due.
November 10	First installment is delinquent.
March 1	Second installment is due.
May 10	Second installment is delinquent.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 is as follows:

	<u>June 30, 2019</u>			<u>June 30, 2020</u>
	Beginning Balance	Increase	Transfers/ Decrease	Ending Balance
Non-depreciable capital assets				
Land	\$ 180,856	\$ -	\$ -	\$ 180,856
Total non-depreciable capital assets	<u>180,856</u>	<u>-</u>	<u>-</u>	<u>180,856</u>
Depreciable capital assets				
Buildings and improvements	\$ 4,098,967	\$ 36,719	\$ -	\$ 4,135,686
Equipment	4,948,275	469,111	-	5,417,386
Vehicles	1,790,692	-	-	1,790,692
Computer software	32,813	-	-	32,813
Office furniture	69,548	11,070	-	80,618
Infrastructure	<u>2,156,394</u>	<u>18,209</u>	<u>-</u>	<u>2,174,603</u>
Total depreciable capital assets	<u>13,096,689</u>	<u>535,109</u>	<u>-</u>	<u>13,631,798</u>
Accumulated depreciation				
Buildings and improvements	1,668,072	119,750	-	1,787,822
Equipment	3,846,192	216,045	-	4,062,237
Vehicles	1,322,660	75,801	-	1,398,461
Computer software	26,440	1,294	-	27,734
Office furniture	49,487	6,320	-	55,807
Infrastructure	<u>604,828</u>	<u>82,988</u>	<u>-</u>	<u>687,816</u>
Total accumulated depreciation	<u>7,517,679</u>	<u>502,198</u>	<u>-</u>	<u>8,019,877</u>
Total capital assets, being depreciated, net	<u>\$ 5,579,010</u>			<u>\$ 5,611,921</u>
Governmental activities capital assets, net	<u>\$ 5,759,866</u>			<u>\$ 5,792,777</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

6. CAPITAL ASSETS (Continued)

Capital asset activity for the fiscal year ended June 30, 2019 is as follows:

	<u>June 30, 2018</u>			<u>June 30, 2019</u>
	Beginning Balance	Increase	Transfers/ Decrease	Ending Balance
Non-depreciable capital assets				
Land	\$ 180,856	\$ -	\$ -	\$ 180,856
Total non-depreciable capital assets	<u>180,856</u>	<u>-</u>	<u>-</u>	<u>180,856</u>
Depreciable capital assets				
Buildings and improvements	\$ 4,086,467	\$ 12,500	\$ -	\$ 4,098,967
Equipment	4,936,098	101,177	(89,000)	4,948,275
Vehicles	1,649,019	141,673	-	1,790,692
Computer software	26,343	6,470	-	32,813
Office furniture	69,548	-	-	69,548
Infrastructure	1,526,246	630,148	-	2,156,394
Total depreciable capital assets	<u>12,293,721</u>	<u>891,968</u>	<u>(89,000)</u>	<u>13,096,689</u>
Accumulated depreciation				
Buildings and improvements	1,549,869	118,203	-	1,668,072
Equipment	3,726,367	208,825	(89,000)	3,846,192
Vehicles	1,244,823	77,837	-	1,322,660
Computer software	26,344	96	-	26,440
Office furniture	40,997	8,490	-	49,487
Infrastructure	537,890	66,938	-	604,828
Total accumulated depreciation	<u>7,126,290</u>	<u>480,389</u>	<u>(89,000)</u>	<u>7,517,679</u>
Total capital assets, being depreciated, net	<u>\$ 5,167,431</u>			<u>\$ 5,579,010</u>
Governmental activities capital assets, net	<u>\$ 5,348,287</u>			<u>\$ 5,759,866</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019:

	<u>June 30, 2019</u>			<u>June 30, 2020</u>	
<u>June 30, 2020</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Compensated absences	\$ 73,602	\$ 114,633	\$ 101,080	\$ 87,155	\$ 87,155
Closure and post-closure care costs (restated)	8,800,000	300,000	-	9,100,000	-
Net pension liability	1,775,121	-	341,426	1,433,695	-
Total	<u>\$ 10,648,723</u>	<u>\$ 414,633</u>	<u>\$ 442,506</u>	<u>\$ 10,620,850</u>	<u>\$ 87,155</u>

	<u>June 30, 2018</u>			<u>June 30, 2019</u>	
<u>June 30, 2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Compensated absences	\$ 68,495	\$ 91,627	\$ 86,520	\$ 73,602	\$ 73,602
Closure and post-closure care costs (restated)	10,300,000	-	1,500,000	8,800,000	-
Net pension liability	1,353,142	421,979	-	1,775,121	-
Total	<u>\$ 11,721,637</u>	<u>\$ 513,606</u>	<u>\$ 1,586,520</u>	<u>\$ 10,648,723</u>	<u>\$ 73,602</u>

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 ("the Board") 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Pension Benefits (Continued)

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.

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

Effective July 1, 2019, the Plan statutorily requires 17.62% of the participant's salary to be contributed to the Plan; the District is required to contribute a minimum of 8.87% of the employee's salary. The District can, however, elect to contribute more than the required amount. The District has elected to contribute 14.44% of the employee's salary, with the remaining 3.18% contributed by the employee.

Effective September 1, 2018, the Plan statutorily requires 17.12% of the participant's salary to be contributed to the Plan; the District is required to contribute a minimum of 8.62% of the employee's salary. The District can, however, elect to contribute more than the required amount. The District has elected to contribute 14.19% of the employee's salary, with the remaining 2.93% contributed by the employee.

The District's total contributions, including both employer and employee portions, totaled \$196,338, \$179,049 and \$171,764 for the three years ended June 30, 2020, 2019 and 2018, respectively. The employee portion of the retirement contributions paid on behalf of employees by the District for the three years ended June 30, 2020, 2019 and 2018 were \$35,434, \$59,086 and \$57,565 respectively.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020 and 2019, the District reported a liability of \$1,433,695 and \$1,775,121 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2019 and 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 and 2018. 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, 2019 and 2018, the District's proportionate allocation was 0.0610102% and 0.0582907%.

For the year ended June 30, 2020 and 2019, the District recognized net pension expense of \$148,910 and \$105,379, including employer contributions paid during the Plan's year ended December 31, 2019 and 2018.

At June 30, 2020 and 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	2019
Deferred outflow of resources		
Changes in assumptions	\$ 50,531	\$ 88,689
Net differences between projected and actual earnings on pension plan investments	-	266,573
Contributions subsequent to the measurement date	50,157	46,243
Total deferred outflows of resources	<u>\$ 100,688</u>	<u>\$ 401,505</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ 28,272	\$ 44,580
Net difference between projected and actual earnings on pension plan investments	213,922	-
Changes in proportionate share of the net pension liability	10,699	18,794
Total deferred inflows of resources	<u>\$ 252,893</u>	<u>\$ 63,374</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, 2020.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

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

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:

<u>Year Ending June 30</u>	
2021	\$ (29,910)
2022	(67,195)
2023	(9,448)
2024	(95,809)
2025	-
	<u>\$ (202,362)</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, 2019, the beginning of the measurement period ended December 31, 2019, is 3.9563 years.

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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	4.75% - 8.75%, including inflation
Payroll growth rate	2.50%
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: no setback with a 100% multiplier
Females: no setback with a 88% multiplier

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions (Continued)

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: no setback with a 100% multiplier

Females: no setback with a 100% 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, 2018. 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 2.25%) 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset as of January 1, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00%	-0.19%
Fixed Income	21.00%	1.67%
Equity	48.50%	7.42%
Marketable alternatives	19.00%	4.33%
Real assets	9.50%	5.58%
Total	100.00%	

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).

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

8. WYOMING RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate (Continued)

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.

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 actions 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.

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 \$333,501 and \$310,264 during the years ended June 30, 2020 and 2019, 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

10. CLOSURE AND POST CLOSURE CARE COSTS

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>
2020	\$ 15,076,000	~ 60%	\$ 9,100,000
2019	14,798,000	~ 59%	8,800,000

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. The estimated closure costs for 2019 were reduced significantly from 2018 due to cost savings associated with the DEQ approval of an alternative final cover for the landfill closures.

The District estimates the remaining site life and capacity for each of the County's landfills to be as follows as of June 30, 2020:

	<u>Remaining Site Life</u>	<u>Capacity Used</u>
Lander - Phases 2-5	8 years	84%
Riverton - Sand Draw	34 years	36%
Shoshoni	1 year	99%
Dubois Expansion	55 years	10%

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 \$0 for the years ended June 30, 2020 and 2019, 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 2021.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019**

10. CLOSURE AND POST CLOSURE CARE COSTS (Continued)

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.

11. RELATED PARTY TRANSACTIONS

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.

12. PRIOR PERIOD ADJUSTMENTS AND RESTATEMENTS

In prior years the District had not properly adjusted the closure and post-closure liability to reflect changes in estimated total current costs and cumulative capacity used. GASB Statement No. 18 provides guidance on the accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs. Under this statement GASB states that the governmental entity should recognize the estimated total current costs for the closure and post-closure of municipal solid waste landfill to the ratio of cumulative capacity used. GASB further states that after initial valuation the estimated current cost of closure and post-closure should be reevaluated annually, and changes should be reported in the period in which the change is probable and reasonably estimable.

The 2019 beginning net position was increased by \$1,400,000 to reflect changes in the closure and post-closure liability in 2018 that had not been adjusted in accordance with GASB Statement No. 18.

The 2019 ending net position balance was increased by \$1,500,000 to reflect changes in the closure and post-closure liability in 2019 that had not been adjusted in accordance with GASB Statement No. 18. This is reflected by the \$1,500,000 shown in the Statement of Activities as a reduction of expense related to the change in closure and post-closure liability.

REQUIRED SUPPLEMENTAL INFORMATION

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
BUDGETARY COMPARISON SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020				2019			
	Budget Amounts			Variance with Final Budget Favorable (Unfavorable)	Budget Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Acutal Amounts		Original	Final	Acutal Amounts	
BUDGETARY FUND BALANCE -	\$ 15,850,000	\$ 15,850,000	\$ 17,636,285	\$ 1,786,285	\$ 14,700,000	\$ 14,700,000	\$ 13,904,312	\$ (795,688)
RESOURCES (INFLOWS)								
Taxes, primarily property	2,388,841	2,388,841	2,426,726	37,885	2,308,456	2,308,456	2,312,203	3,747
Intergovernmental	673,000	673,000	29,402	(643,598)	25,000	25,000	42,492	17,492
Charges for services	2,610,500	2,610,500	3,123,168	512,668	2,609,500	2,609,500	4,850,705	2,241,205
Grant revenues	42,000	42,000	32,654	(9,346)				
Realized gains on investments	240,625	240,625	239,690	(935)	84,000	84,000	399,816	315,816
Unrealized gains on investments	-	-	269,734	269,734	-	-	76,218	76,218
Miscellaneous income	4,100	4,100	170	(3,930)	4,100	4,100	2,030	(2,070)
	21,809,066	21,809,066	23,757,829	1,948,763	19,731,056	19,731,056	21,587,776	1,856,720
Amount available for appropriation								
CHARGES TO APPROPRIATIONS (OUTFLOWS)								
Wages	1,184,200	1,184,200	1,135,373	48,827	1,208,460	1,208,460	1,078,884	129,576
Employee benefits	769,850	769,850	644,662	125,188	787,325	787,325	610,626	176,699
Bad debt expense	1,000	1,000	86	914	8,600	8,600	51	8,549
Bale station operation and maintenance	44,000	44,000	7,302	36,698	44,000	44,000	19,094	24,906
Engineering fees	398,700	398,700	187,551	211,149	264,500	264,500	210,418	54,082
Equipment repairs	274,450	274,450	140,229	134,221	301,950	301,950	128,124	173,826
Financial assurance and regulatory fees	5,000	5,000	814	4,186	5,000	5,000	834	4,166
Insurance	33,900	33,900	32,744	1,156	34,300	34,300	33,409	891
Landfill closure and post-closure care costs	1,400,000	1,400,000	-	1,400,000	-	-	-	-
Leases	30,000	30,000	24,354	5,646	40,000	40,000	20,762	19,238
Office expenses and travel	58,500	58,500	51,777	6,723	55,000	55,000	49,574	5,426
Operation and maintenance	285,000	285,000	177,003	107,997	268,500	268,500	202,330	66,170
Professional fees	75,000	75,000	48,402	26,598	90,000	90,000	49,841	40,159
Recycling	182,000	182,000	127,823	54,177	190,000	190,000	113,137	76,863
Scale houses	20,000	20,000	22,662	(2,662)	20,000	20,000	18,641	1,359
Site improvements and maintenance	169,000	169,000	93,975	75,025	148,925	148,925	123,991	24,934
Supplies	16,000	16,000	12,984	3,016	16,000	16,000	14,853	1,147
Transfer stations	264,000	264,000	260,344	3,656	254,000	254,000	260,366	(6,366)
Utilities	165,000	165,000	120,201	44,799	195,000	195,000	124,588	70,412
Capital outlays	1,066,350	1,066,350	535,109	531,241	1,186,500	1,186,500	891,968	294,532
Total charges to appropriations	6,441,950	6,441,950	3,623,395	2,818,555	5,118,060	5,118,060	3,951,491	1,166,569
BUDGETARY FUND BALANCE - ENDING	\$ 15,367,116	\$ 15,367,116	\$ 20,134,434		\$ 14,612,996	\$ 14,612,996	\$ 17,636,285	

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

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
WYOMING RETIREMENT SYSTEM
As of December 31, 2019
Last 10 Years *

	Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered-employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
Public Employee	2014	0.070184606%	\$1,238,542	\$1,223,672	101.22%	79.08%
Pension Plan	2015	0.057856825%	\$1,347,687	\$1,037,030	129.96%	73.40%
	2016	0.057254500%	\$1,384,128	\$1,024,044	135.16%	73.42%
	2017	0.059365500%	\$1,353,142	\$1,033,483	130.93%	76.35%
	2018	0.058290700%	\$1,775,121	\$1,050,765	168.94%	69.17%
	2019	0.061010200%	\$1,433,695	\$1,114,293	128.66%	76.83%

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

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
SCHEDULE OF CONTRIBUTIONS
WYOMING RETIREMENT SYSTEM
As of December 31, 2019
Last 10 Years *

	As of fiscal year ended December 31,	Actuarial Determined Contributions	Contributions in relation to the contractually required Contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Public Employee	2012	\$ 105,169	\$ 105,169	\$ -	\$ 1,477,089	7.12%
Pension Plan	2013	97,254	97,258	(4)	1,365,926	7.12%
	2014	83,055	83,055	-	1,089,957	7.62%
	2015	85,449	85,449	-	1,020,898	8.37%
	2016	86,144	86,144	-	1,029,201	8.37%
	2017	86,503	86,503	-	1,033,483	8.37%
	2018	90,105	90,105	-	1,050,765	8.58%
	2019	98,169	98,169	-	1,114,293	8.81%

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

OTHER INDEPENDENT AUDITORS' REPORT



CARVER
FLOREK &
JAMES, CPA's

CERTIFIED PUBLIC ACCOUNTANTS

Steven L. Carver, CPA
Gordon H. James, CPA
Jason K. Lund, CPA

**INDEPENDENT AUDITORS' 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Fremont County Solid Waste Disposal District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2020-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and as item 2020-002 to be a significant deficiency.

Compliance and Other Matters

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

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

Carver Florek & James, CPAs

November 24, 2020
Sheridan, Wyoming

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2020**

SECTION I – Summary of the Auditors’ Results:

Financial Statements

An unmodified opinion was issued regarding the financial statements of Fremont County Solid Waste Disposal District.

Internal control over financial reporting:

- Material weakness identified? X Yes No
- Significant deficiency identified? X Yes No

Noncompliance material to financial statements noted? Yes X No

SECTION II – GAGAS Financial Statement Findings

Material Weakness in Internal Control

2020-001: Measurement of Closure & Post-Closure Liability

Criteria:	GASB Statement No. 18 provides guidance on the accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs. This provides the methodology for initial recognition and annual subsequent measurement of the accrued liability.
Condition:	The District has failed to adjust this liability in prior periods to reflect a change in the estimated cost for closure and post-closure care costs and change in available space for municipal solid waste. There were no procedures in place to ensure this calculation followed GASB guidelines.
Effect:	Due to the weakness over policies and procedures in place at the District the Closure and Post-Closure Care liability was overstated by \$1,400,000 in fiscal year 2018 and \$1,500,000 in fiscal year 2019.
Recommendation:	The District should adopt a policy and implement procedures to ensure measurement of the liability is conducted in accordance with the established GASB guidelines.
Management’s Response:	The District's position has been to maintain the previous level of closure and post-closure liability recognized due to the many uncertainties within the regulatory community which will impact the ultimate cost of the closure and post-closure care. In addition, it should be noted that the liability, as previously stated, does not exceed the total expected costs associated with the closure and post-closure care of the Fremont County landfills. The prior period adjustment for fiscal years 2018 and 2019 represents a change in the timing of the total liability to be recognized.

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2020

SECTION II – GAGAS Financial Statement Findings (Continued)

Significant Deficiency in Internal Control

2020-002: Segregation of Duties

Criteria:	Segregation of duties is a basic, key internal control and often one of the most difficult to achieve, especially in a small organization. The concept is that one individual should not be able to handle or dominate transactions from initiation to posting, having access to both assets and accounting records. Reconciling all cash balances on a monthly basis and reporting such balances to those charged with governance is a basic key control.
Condition:	The District has a limited number of administrative staff and accordingly a proper segregation of duties does not exist. Neither is it practicable for the District to maintain such segregation.
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.
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 exists.
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.

Status of Prior Audit Findings

Finding:	2019-001 Segregation of Duties
Current Year Status:	This condition continues to exist at June 30, 2020. See finding 2020-002.