



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 13, 2021 - 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 2021
- b. Approval of the Accounts Payable
 - i. November 2021
- 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. FY 2020-2021 Financial Audit Presentation – Carver, Flork and James CPA's (Discussion and Formal Action)
- b. Shoshoni Landfill Closure Construction – Pay Application No. 3 (*Discussion and Formal Action*)
- c. Front-End Loader Bid Review (*Discussions and Formal Action*)
- d. Executive Session – Potential Litigation

3. NEW BUSINESS

4. CLOSING ITEMS:

- a. Upcoming Meeting(s):
 - i. The next Regularly Scheduled Meeting(s): January 17, 2022, 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 15, 2021

1. PRELIMINARY ITEMS:

a. – c. The regular meeting of the Fremont County Solid Waste Disposal District Board of Directors was held on the above date and called to order by CHAIRMAN ADAMS at 9:30am. 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>	Michael Adams, Robert Townsend, Gary Weisz, Steve Baumann, Jen Lamb, Rod Haper, Mark Moxley, Rick Klaproth and Rob Dolcater
<u>Excused Member(s):</u>	<i>no excused members</i>
<u>Unexcused Member(s):</u>	<i>no unexcused members</i>
<u>Commissioner Liaison:</u>	<i>no commissioner liaison present</i>
<u>Community Liaisons:</u>	John Larson (City of Lander) and Kyle Larson (City of Riverton)
<u>Attorney:</u>	Rick Sollars
<u>Staff:</u>	Superintendent Andy Frey
<u>Consultant(s):</u>	<i>no consultants present</i>
<u>Guest(s):</u>	Brain Eggelston (City of Riverton), Kyle Butterfield (City of Riverton), and Bruce Levin (Wyoming Waste)

d. **Approval of Agenda**

ROB DOLCATER made a motion to approve the consent agenda as presented. SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

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

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

2. CONSENT ITEMS:

a. **Approval of Prior Meeting Minutes**

- i. October 2021

b. **Approval of Accounts Payable**

- i. October 2021 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. **Operational Evaluation and Strategic Planning Project (*Discussion*)**

Superintendent Frey shared with the Board that the information requested by the City of Riverton was provided to them since the last meeting with no additional questions submitted. A Summary Memorandum was provided with the Board packet and used in the meeting minutes for the October Board meeting to summarize the recommendation provided to the Board from Burns and McDonnell.

The Board was questioned on how they would like to see the stakeholder engagement approached. It was suggested to request an opportunity to present to city councils, with FCAG, and then host a community meeting in Lander and Riverton.

Discussion: (1.) No decisions have been made with respect to the Burns and McDonnell recommendation. (2.) Stakeholder engagement is essential in forming the Board's direction. (3.) FCAG allows an initial opportunity to meet with most communities and may be the most ideal starting point. (4.) The final Burns and McDonnell presentation does not provide enough information to allow the communities an understanding of the project or the review process. A District developed presentation should be created to better inform the communities.

b. **Scale Facility Project Update – Change Order Request (*Discussion and Formal Action*)**

Superintendent Frey presented a change order submitted for consideration by Burns and McDonnell on the Scale Facility project. The change order is for work associated with (1.) the Lander site entrance road, (2.) adding a second scale under the project at the Sand Draw Landfill, (3.) including scale gates and traffic control lights at all three locations, (4.) including Geiger counters for detection of NORM and TENORM at the Lander and Sand Draw sites, and (5.) including electric gates at all three sites.

The change order, Authorization No. 37, for consideration is in the amount of \$31,155.

Discussion: (1.) scale gates are to control entrance onto the scales, (2.) electric gates at the entrances can be problematic, (3.) Board preference is to design for and install everything with the exception of the actual gate controls for the scale gates

VICE-CHAIRMAN MOXLEY made a motion to approve the change order as presented, directing Burns and McDonnell to complete the design, but not the installation of the actual scale gate arms. SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

c. **Shoshoni Landfill Closure Construction – Pay Application No. 2 (*Discussion and Formal Action*)**

Superintendent Frey presented the Board with Pay Application No. 2 for the Shoshoni Landfill closure. The pay application was reviewed by Trihydro as well as the District for accuracy and approved for Board consideration. The pay application is in the amount of \$123,235.98.

BOB TOWNSEND made a motion to approve the Shoshoni Landfill Closure Project Pay Application No. 2 in the amount of \$123,235.98. SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

4. NEW BUSINESS

VICE-CHAIRMAN MOXLEY proposed that the Board consider a disaster relief payment to employees to assist with the increased cost of living with the excessive inflation they are dealing with. Since the nation is under a declared national disaster, the IRS tax code 130 allows for a tax-exempt disaster relief payment by employers.

Discussion: (1.) With the District's staffing shortages, there are adequate funds within the operating budget. (2.) Disaster relief provided under IRS code 139 allows a disaster relief payment without tax penalty for employer or employee. (3.) A \$1,000 disaster relief payment would greatly assist employees through the current challenging economic time.

SECRETARY/TREASURER KLAPROTH made a motion to provide the District staff with a \$1,000 disaster relief payment under IRS code 139. ROB DOLCATER seconded the motion. **MOTION CARRIED**

STEVE BAUMANN made a motion to have the District review their SOC's similar to the process recently completed by Fremont County. SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

Discussion: Road and Bridge included a hazardous pay differential due to their work environment and activity.

2. d. Executive Session – Potential Litigation (moved after New Business for the benefit of the meeting guests)

GARY WEISZ made a motion to enter into executive session for potential litigation at 10:30am.

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

GARY WEISZ made a motion to exit executive session for potential litigation at 10:41am. VICE-CHAIRMAN MOXLEY seconded the motion. **MOTION CARRIED**

5. CALL FOR ADJOURNMENT

BOB TOWNSEND made a motion to move the meeting in December to December 13, 2021, at the regular time and location. SECRETARY/TREASURER KLAPROTH seconded the motion. **MOTION CARRIED**

SECRETARY/TREASURER KLAPROTH made a motion to adjourn the meeting at 10:44am. GARY WEISZ seconded the motion. **MOTION CARRIED**

6. UPCOMING MEETING(S):

a. The Next Regularly Scheduled Meeting: December 13, 2021, at 9:30 a.m.

Respectfully submitted by,

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

Michael Adams
Board of Director's Chairman
Fremont County Solid Waste Disposal District

Fremont County Solid Waste Disposal District
Balance Sheet
As of November 30, 2021

	<u>Nov 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
122105 · Petty Cash	300.00
122106 · Transfer Station Cash	400.00
122107 · Scale House Cash	1,600.00
123110 · CB&T Checking	103,198.02
123115 · Edward Jones Investments	3,376,846.59
123120 · Bank of Jackson Hole	181,052.16
123130 · Wyo Star	1,180,273.35
123132 · Wyo Star II	15,869,594.88
123134 · Wyoming Community Bank	250,860.16
Total Checking/Savings	<u>20,964,125.16</u>
Accounts Receivable	
133141 · Accounts Rec - User Fees	261,879.75
Total Accounts Receivable	<u>261,879.75</u>
Other Current Assets	<u>2,071.01</u>
Total Current Assets	<u>21,228,075.92</u>
TOTAL ASSETS	<u>21,228,075.92</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	<u>73,692.97</u>
Total Liabilities	<u>73,692.97</u>
Equity	
32000 · Unrestricted Net Assets	2,617,228.59
380860 · Cash Reserve	750,000.00
380970 · Closure/Post-Closure Reserve	18,155,822.00
Net Income	-368,667.64
Total Equity	<u>21,154,382.95</u>
TOTAL LIABILITIES & EQUITY	<u>21,228,075.92</u>



memorandum

To: Andy Frey, P.E., Superintendent, Fremont County SWDD
From: Scott Lee, P.E.
cc: Fremont County SWDD Board
Date: December 6, 2021
Re: Project Updates for December 13, 2021 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 – 2021-2022 Environmental Activities and Monitoring (Task Order 10-030 / Trihydro Project 09Y-008-007)

Semiannual groundwater monitoring events were conducted at the four landfills between October 10 and 18, 2021. As of December 6, 2021, the related analytical data have already passed through statistical analysis or are in the queue. Reporting is also well underway, and some reports are in the final review process. The next field event will be first quarter methane monitoring. Groundwater monitoring will not be conducted again until April 2022.

Technical Assistance (Task Order 10-029 / Trihydro Project 09Y-005-008)

Technical assistance activities during the previous month follow:

- A project status report was prepared for the monthly Board meeting.
- Trihydro continued providing assistance regarding a barium-related waste disposal request.

Shoshoni Landfill – Shoshoni Landfill Closure (Task Order 10-031/ Trihydro Project 09Y-004-004)

Clean Air and Water Systems (CAAWS) finished installation of the liner system on November 9, 2021 and demobilized. As of Thursday, December 2, 2021, protective cover soil placement (PCS) has been completed for approximately 60% of the closure area. On Thursday, December 2, 2021, IME surveyed the completed PCS area to verify finished grade elevations. On Wednesday December 1, 2021, DRM delivered a second dozer to the site. As of today, December 6, 2021, DRM will be running a 2-scraper, 2-dozer operation, which will greatly increase production. Brandon Carpenter (DRM Superintendent) will



Andy Frey, FCSWDD
December 6, 2021
Page 2

be serving as the ground worker providing rock and wrinkle control. The PCS material from all stockpiles has been exhausted, and DRM is now obtaining PCS from the onsite borrow area. This week, DRM will begin placement of topsoil from the borrow area over the completed/verified PCS. This will allow them to avoid having to temporarily stockpile topsoil from the borrow area, while also allowing them to get to the PCS material in the borrow area which is needed to finish the job. One scraper and one dozer will be working on topsoil, while the second dozer and scraper will continue to work on PCS haul roads, of which four are remaining. The contract substantial completion date was Friday, November 26, 2021. Per DRM, the project has been delayed due to equipment and manpower shortages. Substantial completion is now expected before Christmas. DRM will be working Saturdays (possibly Sundays) as needed to expedite construction completion. Payment Application #3 from DRM has been received by Trihydro. It is anticipated that the payment application will be provided to Andy Frey by Monday, December 6, 2021 for approval by the Board at the meeting on December 13, 2021.

Please let us know if you have any questions or need additional information. You can call me on my direct office line (307-335-3169), send me an email (slee@trihydro.com), or stop by our office at 388 Main Street, Suite C, in Lander.

END OF MEMORANDUM

Memorandum



Date: December 6, 2021

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

From: Matt Evans, PE

Subject: Progress Report – December 2021

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

Operational Efficiency Study and Strategic Plan

Burns & McDonnell completed the final presentation of the Strategic Plan and presented it to the Board at the October board meeting. Based on feedback from the meeting and communications with the Superintendent, Burns & McDonnell is finalizing the Operational Efficiency and Strategic Plan report. The goal is to have the written Strategic Plan finalized by the end of December 2021.

Capacity Audits

Capacity audit reports were completed and submitted to the District Superintendent. The Superintendent and Burns & McDonnell are working on the financial summary cover letter that goes with the capacity audit reports and summarizes the District's financial position. The financial summary memo includes tables and graphs, and definitions of the various terms used in the financial summary.

It should be noted that based on current solid waste projections, it is recommended that the District plan for a transition from primary disposal at Lander to Sand Draw midway through 2027.

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 has been supporting the Superintendent on the following since the last board report was submitted:

- Excavation grading at Dubois
- Correspondence with the City of Riverton related to follow-up questions that the City had after the Strategic Plan presentation in October.
- Tire disposal alternatives analysis to estimate in place airspace utilization of tires. However, it was determined by Burns & McDonnell that a survey file provided by Burns & McDonnell's surveyor (Fremont Engineering & Surveying, Inc.) was imported incorrectly into Burns & McDonnell's AutoCAD files. As a result, several of the calculations that Burns & McDonnell performed were incorrect. Burns & McDonnell is

Memorandum *(continued)*



December 6, 2021

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crediting the time that Burns & McDonnell has charged the District for the tire analysis calculations as a result of the error.

Capital Improvement Plan Modeling

The CIP model was used as the foundation for the financial analysis completed as part of the Operational Efficiency and Strategic Planning Study. It has been updated with the fiscal yearend results for 2020-2021. A spring of 2022 update of the financial model is anticipated.

Scale House Project

Burns & McDonnell is updating the scale house plans and specifications per comments provided by the Superintendent. This includes designing the new scale house and scale system at Lander in the vicinity of the current scale location, as well as adding a second scale at Sand Draw. Advertising and bidding of the plans is anticipated to happen early 2022 to select a construction contractor. Construction is anticipated to start as soon as weather allows in the spring.

On-call Surveying

No additional surveying services have 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 9, 2021, 2021

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 per ton & 31,472 total tons
 - b. 2014 = \$176 per ton & 27,562 total tons
 - c. 2015 = \$99 per ton & 31,890 total tons
 - d. 2016 = \$103 per ton & 29,659 total tons
 - e. 2017 = \$102 per ton & 33,483 total tons
 - f. 2018 = \$106 per ton & 36,352 total tons
 - g. 2019 = \$88 per ton & 41,900 total tons
 - h. 2020 = \$89 per ton & 36,200 total tons
 - i. 2021 = 1st Three Quarters \$117 per ton & 27,000 tons

Staff:

1. July 2021: 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) have not had a single lost-time accident/incident in 6 years and 5 month, 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 5 years and 11 months!!

Board:

1. 2021 – 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 Klapproth.
 - c. Planning Committee: Bob Townsend, Steve Baumann, Jen Lamb, and Gary Weisz.
 - d. Budget Committee: Rick Klapproth, 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:
 - a. December 2021: Following the Fremont County Commissioners **SOC and Equity pay adjustments**, we have been in communication with Mike Jones, with a plan to review their final adjustments.
3. Municipalities:
 - a. October/November 2021: Following the October Board meeting a number of documents were submitted to the **City of Riverton** (Kyle Butterfield) regarding the recommendations associated with the **Strategic Planning project**.
 - b. December 2021: Additional information has been requested by the **City of Riverton**. We have provided the requested information, and stopped into their offices to review the information.
4. Tribal:
 - a. November & December 2021: Following the newspaper articles in October and November of this year regarding the **WRIR solid waste program meetings with EPA**, the District has worked to attain invitations to participate in the solid waste discussions between the Tribes and EPA.
 - i. The District has been working with the EPA/Tribal collaboration on the following:
 - Provided the FCSWDD Rules and Regulations for reference as they develop their own rules, regulations and policies.
 - Offering comment on their development of definitions relating to solid waste.
 - Offering comment on their law-and-order code as it is being reviewed relating to solid waste.
 - Offering comment on the development of an operational model for the Tribally owned and operated transfer stations.
 - b. December 2021: We continue to have regular discussions with the working lead of the **WRIR solid waste program**. These discussions have taken place for a number of years, including our assistance with addressing abuse by off-reservation contractors. The comments received from their lead are reiterated to the EPA/Tribal collaboration team.

Regulatory/Engineering/Legal/General Contractors

Regulatory:

1. December 2021: The District developed and submitted a draft Shoshoni Landfill Closure project **grant reimbursement submission** to the WDEQ/SLIB review team. We anticipate comment back within two weeks, then complete a final submission. This reimbursement request captures engineering expenses and the construction work through pay application number two.

Engineering:

1. Trihydro: (1.) Environmental Monitoring (2.) Technical Assistance (3.) Shoshoni Landfill Closure Construction Oversight and Quality Assurance.
2. Burns and McDonnell: (1.) Capacity Audits (2.) Surveying (3.) Operational Efficiency Evaluation and Strategic Planning (4.) CIP Model Updates, and (5.) Scale Facility Design.

Legal – **No Updates**

General Contractors – **No Updates**

Sites/Operations/Equipment:

Sites:

1. December 9, 2021: The **Shoshoni Landfill Closure Construction** continues to advance.

The liner installation sub-contractor has completed all liner installation work. The prime contractor continues to work at placement of the protective soils on top of the liner. This process is slow, with the need to maintain a 3-ft depth of soil under all non-low-ground-pressure equipment (i.e. scrapers, loaders, motor grader) during soil placement. They are building up roadways across the line area to use scraper to place the soil, then they will come back with their low-ground-pressure GPS guided dozer to spread the soils to the proper depth. Once that activity is complete, they will have to follow a similar process when placing the topsoil.

The contractor continues to struggle with hiring additional staff for this project. The contractual substantial completion date was November 26, 2021. That deadline was not met.
2. December 2021: We continue to work through our semiannual **storm water pollution prevention site inspections**.

Equipment:

1. December 2021: The District received and reviewed bids for two **new front-end loaders**. A review and recommendation document is included in the Board meeting packet for your review. This is also an agenda item this month.
2. December 2021: The District continues to review the **tire shredder** options. Contacts have been provided by the equipment vendors for facilities that have used their rental units. We have been working to communicate with them to further understand the options.

Miscellaneous/Upcoming Work & Events/Work in Progress:

Miscellaneous: **No Updates**

Upcoming Work & Events:

1. December 11, 2021: The **District's 2021 Christmas Party** will be held at the End Zone restaurant in Lander starting at 6:00pm. Be sure to bring a wrapped ornament!!!!

Thank you,



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

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

Financial Report

June 30, 2021
(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, 2021

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, 2021.

Financial Highlights

As of June 30, 2021, the District's total assets and deferred outflows of resources were \$27,701,696 and the total liabilities and deferred inflows of resources were \$11,434,081. Included in the liabilities is an estimate for future closure and post-closure care costs in the amount of \$9,500,000. This estimate is based on estimated future costs adjusted for capacity used as of June 30, 2021. Also included in liabilities is the District's proportionate share of the net pension liability for the Wyoming Retirement System in the amount of \$1,365,385.

During fiscal year 2021, the District had total revenue of \$5,406,052 and \$4,390,784 of expense. The net position increased by \$1,015,268 for the year ended June 30, 2021.

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 4 and 5 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 measureable 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 6 through 9 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 10 through 28 of this report.

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis (cont.)
For the Year Ended June 30, 2021

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, 2021 with comparative data for June 30, 2020.

Condensed Statements of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Change Favorable (Unfavorable)
Current assets	\$ 21,818,276	\$ 20,376,273	\$ 1,442,003
Noncurrent assets	5,809,845	5,792,777	17,068
Deferred outflows of Resources	<u>73,575</u>	<u>100,688</u>	<u>(27,113)</u>
Total assets and deferred outflows of resources	<u>27,701,696</u>	<u>26,269,738</u>	<u>1,431,958</u>
Current liabilities	260,777	230,803	(29,974)
Noncurrent liabilities	10,865,385	10,533,695	(331,690)
Deferred inflows of resources	<u>307,919</u>	<u>252,893</u>	<u>(55,026)</u>
Total liabilities and deferred inflows of resources	<u>11,434,081</u>	<u>11,017,391</u>	<u>(416,690)</u>
Total Net Position	\$ <u>16,267,615</u>	\$ <u>15,252,347</u>	\$ <u>1,015,268</u>

The increase in current assets is primarily an increase in cash and investments as a result of revenues exceeding expenses.

Condensed Statements of Activities

	Year Ended June 30, <u>2021</u>	Year Ended June 30, <u>2020</u>	Change Favorable (Unfavorable)
Program Expenses	\$ (4,390,784)	\$ (4,052,947)	\$ (337,837)
Program Revenues	<u>3,013,578</u>	<u>3,180,873</u>	<u>(167,295)</u>
Net Program Revenue (Expense)	<u>(1,377,206)</u>	<u>(872,074)</u>	<u>(505,132)</u>
General Revenues			
Tax revenue	2,243,980	2,450,726	(206,746)
Other general revenue	<u>148,494</u>	<u>509,594</u>	<u>(361,100)</u>
Total General Revenue	<u>2,392,474</u>	<u>2,960,320</u>	<u>(567,846)</u>
Increase in Net Position	\$ <u>1,015,268</u>	\$ <u>2,088,246</u>	\$ <u>(1,072,978)</u>

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis (cont.)
For the Year Ended June 30, 2021

Financial Summary and Analysis, Continued

The decrease in Net Program activity from 2020 to 2021 was a combination of reduced program revenues and an increase program expenses.

Budgetary Highlights

The District approves an annual budget in July of each year. The budget is prepared on the modified accrual basis of accounting; the basis of accounting used for the fund financial statements and is submitted to the Fremont County Board of Commissioners for approval. There were no changes to the budget, after adoption, for the fiscal year ended June 30, 2021. 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 \$1,849,760 to the committed fund balance for the fiscal year ended June 30, 2021.

The District receives property tax revenue from Fremont County to help with the operations of landfills throughout the county. The assessed valuation for Fremont County decreased approximately 9% for the budget year 2020-2021 as compared to budget year 2019-2020.

Capital Assets and Debt Administration

The District's capital assets, net of accumulated depreciation, increase \$17,068. This net increase is the result of an increase in assets in the amount of \$398,837 and reduced by depreciation expense in the amount of \$381,769.

The District has no outstanding debt obligations as of the fiscal year ended June 30, 2021.

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, 2021 and 2020, the waste received by service areas follows:

Service Area	Tons of Waste Received		Type of Waste
	<u>2021</u>	<u>2020</u>	
Lander Area	33,162	31,829	MSW, CDW, other
Riverton-Sand Draw	2,935	3,653	MSW, CDW, other
Shoshoni	1,844	3,483	CDW only
Dubois	1,284	578	CDW, other

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
Management's Discussion and Analysis (cont.)
For the Year Ended June 30, 2021

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 2021-2022.

According to *census.gov/quickfacts*, the estimated 2020 population of Fremont County is 39,234, which equates to approximately 2,000 pounds and 2,016 pounds of waste per person disposed in the County's landfills for the years ended June 30, 2021 and 2020, 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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund information of Fremont County Solid Waste District (the District), a component unit of Fremont County, Wyoming, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and general fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and changes in net pension liability and related ratios and pension contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2021 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

November 24, 2021
Sheridan, Wyoming

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)
STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020

	2021	2020
<u>ASSETS</u>		
Current assets		
Cash, cash equivalents and investments	\$ 21,200,045	\$ 19,814,553
Receivables, net of allowance for uncollectible accounts		
Accounts receivable	222,390	208,344
Taxes receivable	60,000	56,000
Intergovernmental and grants receivable	38,962	27,191
Interest receivable	15,163	15,000
Prepaid expenses	38,042	38,818
Due from primary government	243,674	216,367
Total current assets	21,818,276	20,376,273
Noncurrent assets		
Nondepreciable capital assets	180,856	180,856
Depreciable capital assets, net of accumulated depreciation	5,628,989	5,611,921
Total noncurrent assets	5,809,845	5,792,777
Total assets	27,628,121	26,169,050
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows - related to pensions	73,575	100,688
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued expenses	181,263	143,648
Compensated absences	79,514	87,155
Total current liabilities	260,777	230,803
Noncurrent liabilities		
Closure and post-closure care	9,500,000	9,100,000
Net pension liability	1,365,385	1,433,695
Total noncurrent liabilities	10,865,385	10,533,695
Total liabilities	11,126,162	10,764,498
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows - related to pensions	307,919	252,893
Total deferred inflows of resources	307,919	252,893
<u>NET POSITION</u>		
Net invested in capital assets, net of related debt	5,809,846	5,792,777
Unrestricted	10,457,769	9,459,570
Total net position	\$ 16,267,615	\$ 15,252,347

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)**

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Program expenses		
Wages	\$ 1,178,693	\$ 1,148,926
Employee benefits	701,423	793,572
Bad debt expense	-	86
Bale station operation and maintenance	3,353	7,302
Engineering fees	447,807	187,551
Equipment repairs	113,444	140,229
Financial assurance and regulatory fees	894	814
Insurance	37,291	32,744
Leases	20,694	24,354
Office expenses and travel	46,735	51,777
Operation and maintenance	207,413	177,003
Professional fees	35,627	48,402
Recycling	197,572	127,823
Scale houses	11,450	22,662
Site improvements and maintenance	88,059	93,975
Supplies	13,212	12,984
Transfer stations	265,038	260,344
Utilities	111,101	120,201
Change in closure and post-closure liability	400,000	300,000
Depreciation	510,978	502,198
Total program expenses	<u>4,390,784</u>	<u>4,052,947</u>
Program revenues		
Charges for services	2,964,889	3,123,168
Operating grants and contributions	48,689	57,705
Total program revenues	<u>3,013,578</u>	<u>3,180,873</u>
Net program revenues (expenses)	<u>(1,377,206)</u>	<u>(872,074)</u>
General revenues		
Taxes, primarily property	2,243,980	2,450,726
Gain on sale of assets	35,851	-
Realized gains on investments	766	239,690
Unrealized gains (losses) on investments	110,878	269,734
Miscellaneous income	999	170
Total general revenues	<u>2,392,474</u>	<u>2,960,320</u>
Increase in net position	1,015,268	2,088,246
Net position - beginning of year	<u>15,252,347</u>	<u>13,164,101</u>
Net position - end of year	<u>\$ 16,267,615</u>	<u>\$ 15,252,347</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash, cash equivalents and investments	\$ 21,200,045	\$ 19,814,553
Receivables, net of allowance for uncollectible accounts		
Accounts receivable	222,390	208,344
Taxes receivable	60,000	56,000
Interest receivable	15,163	15,000
Prepaid expenses	38,042	38,818
Due from primary government	243,674	216,367
Total assets	<u>\$ 21,779,314</u>	<u>\$ 20,349,082</u>
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>		
Accounts payable and accrued expenses	\$ 181,263	\$ 143,648
Total liabilities	181,263	143,648
Deferred inflows of resources		
unearned property taxes	75,000	71,000
Total of deferred inflows of resources	75,000	71,000
<u>FUND BALANCE</u>		
Nonspendable prepaide expenses	38,042	38,818
Committed for cash reserves	750,000	750,000
Committed for closure and post-closure obligations	16,466,876	14,617,116
Unassigned	4,268,133	4,728,500
Total fund balances	<u>21,523,051</u>	<u>20,134,434</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 21,779,314</u>	<u>\$ 20,349,082</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Total fund balance for government funds	\$ 21,523,051	\$ 20,134,434
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.	5,809,845	5,792,777
Certain intergovernmental receivables are not available to pay current period expenditures and, therefore, are unearned in the fund financial statements.	38,962	27,191
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.	75,000	71,000
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	(79,514)	(87,155)
Closure and post-closure care	(9,500,000)	(9,100,000)
Net pension liability	(1,365,385)	(1,433,695)
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	73,575	100,688
Deferred inflows related to the net pension liability	(307,919)	(252,893)
Total net position of Fremont County Solid Waste Disposal District	<u>\$ 16,267,615</u>	<u>\$ 15,252,347</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, 2021 AND 2020

	2021	2020
<u>REVENUES</u>		
Taxes, primarily property	\$ 2,239,980	\$ 2,426,726
Intergovernmental	36,918	29,402
Charges for services	2,964,890	3,123,168
Grant revenues	-	32,654
Realized gains on investments	766	239,690
Unrealized gains on investments	110,878	269,734
Gain on sale of assets	35,851	-
Miscellaneous income	1,000	170
Total revenues	<u>5,390,283</u>	<u>6,121,544</u>
<u>EXPENDITURES</u>		
Wages	1,186,334	1,135,373
Employee Benefits	687,594	644,662
Bad debt expense	-	86
Bale station operation and maintenance	3,353	7,302
Engineering fees	447,807	187,551
Equipment repairs	113,445	140,229
Financial assurance and regulatory fees	894	814
Insurance	37,291	32,744
Leases	20,694	24,354
Office expenses and travel	46,735	51,777
Operation and maintenance	207,413	177,003
Professional fees	35,627	48,402
Recycling	197,572	127,823
Scale houses	11,450	22,662
Site improvements and maintenance	88,059	93,975
Supplies	13,212	12,984
Transfer stations	265,038	260,344
Utilities	111,101	120,201
Capital outlays	528,047	535,109
Total expenditures	<u>4,001,666</u>	<u>3,623,395</u>
Excess revenues over expenditures	<u>1,388,617</u>	<u>2,498,149</u>
Net change in fund balance	1,388,617	2,498,149
FUND BALANCE - BEGINNING	<u>20,134,434</u>	<u>17,636,285</u>
FUND BALANCE - ENDING	<u><u>\$ 21,523,051</u></u>	<u><u>\$ 20,134,434</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, 2021 AND 2020**

Amounts reported in the Statements of Activities are different because:

	<u>2021</u>	<u>2020</u>
Net changes in fund balance	\$ 1,388,617	\$ 2,498,149
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, \$510,978, and capital outlays, \$528,047, in fiscal year 2021; and depreciation, \$502,198, and capital outlays, \$535,109, in fiscal 2020.	17,069	32,911
Revenues in the Statements of Activities that do not provide current financial resources are not reported as revenues in the governmental fund financial statements.	15,771	19,649
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	7,640	(13,553)
Change in closure and post-closure care liability	(400,000)	(300,000)
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.	<u>(13,829)</u>	<u>(148,910)</u>
Change in net position of governmental activities	<u>\$ 1,015,268</u>	<u>\$ 2,088,246</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, 2021 AND 2020

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, 2021, 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, 2021 AND 2020**

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.

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, 2022. 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, 2021 AND 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021, the assets or liabilities of the District that were measured at fair value on a recurring basis are summarized as follows:

Investments measured at fair value at June 30, 2021

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Wyo-STAR	\$ 16,489,976	\$ -	\$16,489,976	\$ -
Edward Jones	3,551,774	3,551,774	-	-
Total investments measured at fair value	<u>\$ 20,041,750</u>	<u>\$ 3,551,774</u>	<u>\$16,489,976</u>	<u>\$ -</u>

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>

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2021 and 2020, 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, 2021 and 2020;

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

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

YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

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.

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, 2021, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2021 that required recognition or disclosure in the financial statements.

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

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

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.

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>2021</u>	<u>2020</u>
Cash on hand	\$ 6,275	\$ 8,322
Bank deposits	1,152,020	864,653
Investment pool	16,489,976	13,899,591
Investments - Federal bonds	<u>3,551,774</u>	<u>5,041,987</u>
Total cash and investments	<u>\$21,200,045</u>	<u>\$19,814,553</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

3. CASH AND INVESTMENTS (Continued)

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, 2021, the District's deposits were insured by the FDIC up to \$250,000 at each bank.

The District's bank balances at June 30, 2021 totaled \$1,182,224. 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, 2021.

A summary of the total insured and collateralized bank balances at June 30, 2021 is as follows:

Insured by FDIC	\$ 458,737
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>723,487</u>
Total bank balance	<u><u>\$ 1,182,224</u></u>

As of June 30, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Wyo-STAR Local Government Investment Pools	Varies	\$ 16,489,976
Edward Jones Investments	July 2021 - February 2026	<u>3,551,774</u>
Total Investments		<u><u>\$ 20,041,750</u></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, 2021, 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;

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

3. CASH AND INVESTMENTS (Continued)

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, 2021, these investments represent approximately 82% and 18% of the District's total investments, respectively.

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

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, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ -	\$ -
Taxes and interest receivable	<u>40,000</u>	<u>44,000</u>
Total allowance	<u>\$ 40,000</u>	<u>\$ 44,000</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
(A COMPONENT UNIT OF FREMONT COUNTY, WYOMING)**

**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021 is as follows:

	<u>June 30, 2020</u>			<u>June 30, 2021</u>
	<u>Beginning Balance</u>	<u>Increase</u>	<u>Transfers/ Decrease</u>	<u>Ending Balance</u>
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	\$ 4,135,686	\$ -	\$ -	\$ 4,135,686
Equipment	5,417,386	378,552	(129,209)	5,666,729
Vehicles	1,790,692	149,494	-	1,940,186
Computer software	32,813	-	-	32,813
Office furniture	80,618	-	-	80,618
Infrastructure	2,174,603	-	-	2,174,603
Total depreciable capital assets	<u>13,631,798</u>	<u>528,046</u>	<u>(129,209)</u>	<u>14,030,635</u>
Accumulated depreciation				
Buildings and improvements	1,787,822	120,732	-	1,908,554
Equipment	4,062,237	222,053	(129,209)	4,155,081
Vehicles	1,398,461	74,724	-	1,473,185
Computer software	27,734	1,294	-	29,028
Office furniture	55,807	7,366	-	63,173
Infrastructure	687,816	84,809	-	772,625
Total accumulated depreciation	<u>8,019,877</u>	<u>510,978</u>	<u>(129,209)</u>	<u>8,401,646</u>
Total capital assets, being depreciated, net	<u>\$ 5,611,921</u>			<u>\$ 5,628,989</u>
Governmental activities capital assets, net	<u>\$ 5,792,777</u>			<u>\$ 5,809,845</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

6. CAPITAL ASSETS (Continued)

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	2,156,394	18,209	-	2,174,603
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	604,828	82,988	-	687,816
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, 2021 AND 2020**

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, 2021 and 2020:

<u>June 30, 2021</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Compensated absences	\$ 87,155	\$ 123,915	\$ 131,556	\$ 79,514	\$ 79,514
Closure and post-closure care costs	9,100,000	400,000	-	9,500,000	-
Net pension liability	1,433,695	-	68,310	1,365,385	-
Total	<u>\$ 10,620,850</u>	<u>\$ 523,915</u>	<u>\$ 199,866</u>	<u>\$ 10,944,899</u>	<u>\$ 79,514</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	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>

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
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

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).

Contributions

As a condition of participation in the Plan, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by Wyoming State Statute and specified by the WRS Board. Contributions are actuarially determined as an amount that is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. During 2018, House Bill 109 increased required pension plan contributions rates by 0.50 percent per fiscal year through fiscal year 2022. The statutorily required contribution rate for the year ended June 30, 2021 was 18.12%.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

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, 2021 and 2020, the District reported a liability of \$1,365,385 and \$1,433,695 for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of December 31, 2020 and 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 and 2019. 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, 2020 and 2019, the District's proportionate allocation was 0.0628237% and 0.0610102%.

For the year ended June 30, 2021 and 2020, the District recognized net pension expense of \$181,054 and \$148,910, including employer contributions paid during the Plan's year ended December 31, 2020 and 2019.

At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	2020
Deferred outflow of resources		
Changes in assumptions	\$ 8,480	\$ 50,531
Net differences between projected and actual earnings on pension plan investments	14,074	-
Contributions subsequent to the measurement date	51,021	50,157
Total deferred outflows of resources	<u>\$ 73,575</u>	<u>\$ 100,688</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ -	\$ 28,272
Net difference between projected and actual earnings on pension plan investments	299,346	213,922
Changes in proportionate share of the net pension liability	8,573	10,699
Total deferred inflows of resources	<u>\$ 307,919</u>	<u>\$ 252,893</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 following year.

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

YEARS ENDED JUNE 30, 2021 AND 2020

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	\$ (88,584)
2022	(35,843)
2023	(125,840)
2024	(35,098)
2025	-
	<u>\$ (285,365)</u>

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, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	2.5% - 6.5%, 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, 2021 AND 2020**

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, 2021.

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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Cash	2.00%	-1.00%
Fixed Income	21.00%	1.34%
Equity	48.50%	7.34%
Marketable alternatives	19.00%	4.50%
Private markets	9.50%	5.82%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the Plan's fiduciary net position is projected to be sufficient to pay benefits using a 100-year analysis) and 2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting single discount rates are listed above.

**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
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**NOTES TO BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020**

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 \$389,813 and \$333,501 during the years ended June 30, 2021 and 2020, 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, 2021 AND 2020**

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>
2021	\$ 15,311,000	~ 62%	\$ 9,500,000
2020	15,076,000	~ 60%	9,100,000

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 District estimates the remaining site life and capacity for each of the County's landfills to be as follows as of June 30, 2021:

	<u>Remaining Site Life</u>	<u>Capacity Used</u>
Lander - Phases 2-5	7 years	87%
Riverton - Sand Draw	32 years	38%
Shoshoni	1 year	99%
Dubois Expansion	39 years	12%

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, 2021 and 2020, 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 solicited bids for the Shoshoni landfill closure and awarded the bid on June 21, 2021. The project is expected to be completed during fiscal year ending June 30, 2022.

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

NOTES TO BASIC FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2021 AND 2020

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 was employed by CES for a portion of the fiscal year ended June 30, 2021.

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, 2021 AND 2020**

	2021				2020			
	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 -	\$ 18,850,000	\$ 18,850,000	\$ 20,134,434	\$ 1,284,434	\$ 15,850,000	\$ 15,850,000	\$ 17,636,285	\$ 1,786,285
RESOURCES (INFLOWS)								
Taxes, primarily property	2,203,080	2,203,080	2,239,980	36,900	2,388,841	2,388,841	2,426,726	37,885
Intergovernmental	42,000	42,000	36,918	(5,082)	673,000	673,000	29,402	(643,598)
Charges for services	2,581,600	2,581,600	2,964,890	383,290	2,610,500	2,610,500	3,123,168	512,666
Grant revenues	640,346	640,346	-	(640,346)	42,000	42,000	32,654	(9,346)
Realized gains on investments	180,000	180,000	766	(179,234)	240,625	240,625	239,690	(935)
Unrealized gains on investments	-	-	110,878	110,878	-	-	269,734	269,734
Gain on sale of assets	20,000	20,000	35,851	15,851	-	-	-	-
Miscellaneous income	500	500	1,000	500	4,100	4,100	170	(3,930)
Amount available for appropriation	24,517,526	24,517,526	25,524,717	1,007,191	21,809,066	21,809,066	23,757,829	1,948,763
CHARGES TO APPROPRIATIONS (OUTFLOWS)								
Wages	1,225,900	1,225,900	1,186,334	39,566	1,184,200	1,184,200	1,135,373	48,827
Employee benefits	770,450	770,450	687,594	82,856	769,850	769,850	644,662	125,188
Bad debt expense	1,000	1,000	-	1,000	1,000	1,000	86	914
Bale station operation and maintenance	44,000	44,000	3,353	40,647	44,000	44,000	7,302	36,698
Engineering fees	853,500	853,500	447,807	405,693	398,700	398,700	187,551	211,149
Equipment repairs	274,450	274,450	113,445	161,005	274,450	274,450	140,229	134,221
Financial assurance and regulatory fees	5,000	5,000	894	4,106	5,000	5,000	814	4,186
Insurance	43,100	43,100	37,291	5,809	33,900	33,900	32,744	1,156
Landfill closure and post-closure care costs	1,400,000	1,400,000	-	1,400,000	1,400,000	1,400,000	-	1,400,000
Leases	30,000	30,000	20,694	9,306	30,000	30,000	24,354	5,646
Office expenses and travel	78,500	78,500	46,735	31,765	58,500	58,500	51,777	6,723
Operation and maintenance	255,000	255,000	207,413	47,587	285,000	285,000	177,003	107,997
Professional fees	69,050	69,050	35,627	33,423	75,000	75,000	48,402	26,598
Recycling	150,000	150,000	197,572	(47,572)	182,000	182,000	127,823	54,177
Scale houses	25,000	25,000	11,450	13,550	20,000	20,000	22,662	(2,662)
Site improvements and maintenance	197,500	197,500	88,059	109,441	169,000	169,000	93,975	75,025
Supplies	17,000	17,000	13,212	3,788	16,000	16,000	12,984	3,016
Transfer stations	269,000	269,000	265,038	3,962	264,000	264,000	260,344	3,656
Utilities	165,000	165,000	111,101	53,899	165,000	165,000	120,201	44,799
Capital outlays	1,427,200	1,427,200	528,047	899,153	1,066,350	1,066,350	535,109	531,241
Total charges to appropriations	7,300,650	7,300,650	4,001,666	3,298,984	6,441,950	6,441,950	3,623,395	2,818,555
BUDGETARY FUND BALANCE - ENDING	\$ 17,216,876	\$ 17,216,876	\$ 21,523,051		\$ 15,367,116	\$ 15,367,116	\$ 20,134,434	

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, 2020
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	2014	0.070184606%	\$1,238,542	\$1,223,672	101.22%	79.08%
Employee	2015	0.057856825%	\$1,347,687	\$1,037,030	129.96%	73.40%
Pension Plan	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%
	2020	0.062823739%	\$1,365,385	\$1,144,389	119.31%	79.24%

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, 2020
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%
	2020	102,955	102,955	-	1,114,293	9.24%

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, 2021, 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, 2021.

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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The 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, 2021
Sheridan, Wyoming

FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2021

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? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiency identified? | <u> X </u> Yes | <u> </u> No |

Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No
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SECTION II – GAGAS Financial Statement Findings

Significant Deficiency in Internal Control

2021-001: 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.
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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.
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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.
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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.
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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.
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**FREMONT COUNTY SOLID WASTE DISPOSAL DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2020**

Status of Prior Audit Findings

2020-001 Measurement of Closure & Post-Closure Liability – Resolved.

2020-002 Segregation of Duties - This condition continues to exist at June 30, 2021. See finding 2021-001



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

December 7, 2021

Fremont County Solid Waste Disposal District
Board of Directors
PO Box 1400
52 Beebee Road
Lander, Wyoming 82520

Re: Front-End Loaders – Review and Recommendation

Board,

Within the District's fleet are three front-end loaders that are essential to the daily operations at the Lander Landfill, Riverton Transfer Station, and the Sand Draw Landfill. Two of the front-end loaders (Caterpillar model 924k) were purchased new in 2014, and the other machine was purchased new in 2005. These loaders range in age from 7 years to 16 years, with hours ranging from 10,000 to 12,000.

With the regular use of these machines, their proximity to the end of their depreciated life-span, and an increase in their cost of operation and ownership; we included within the current operating budget adequate funds to replace two of the machines, with intentions to keep the better (more reliable) 924K machine for use at the Sand Draw Landfill.

In November, the District developed a bid package and advertised a request for bids. Sealed bids were due, and opened December 7, 2021. The bid document requested pricing for two machines and a trade option for two machines (i.e. one CAT 924K – serial no. 2930 and the CAT IT-14). Two sealed bids were received, and all bid submittals fulfilled the bids requirements with one bid requesting a number of reasonable exceptions. Following is the bid summary:

Unit Bid Price:

	<u>Company Name</u>	<u>Unit</u>	<u>Individual Price</u>	<u>Combined Price</u>	<u>Difference</u>
1.	Wyoming Machinery	Cat 926M	\$211,682.28	\$423,364.56	low bid
2.	Titan Machinery	Case 624GXR	\$223,790.74	\$447,581.48	\$24,216.92

Trade Value:

	<u>Company Name</u>	<u>IT-14 Trade</u>	<u>924K Trade</u>	<u>Total</u>	<u>Difference</u>
1.	Wyoming Machinery	\$12,500	\$45,000	\$57,500	\$27,550.00
2.	Titan Machinery	\$24,550	\$60,500	\$85,050	high bid

Bid Summary:

	<u>Company Name</u>	<u>Combined Price - Trade Value</u>	<u>Difference</u>
3.	Wyoming Machinery	\$365,864.56	\$3,333.08
4.	Titan Machinery	\$362,531.48	low bid

Since the bids were very close in total value, we have reviewed a cost of ownership comparing the two proposed machines to identify the lower running-cost option. We used the information provided within our bid requirements and submitted by the equipment vendors (i.e. service intervals, DEF burn-rates, etc.) and parts freight cost comparisons using the parts delivery.

Within this review, it was found that the service intervals are significantly longer with the Caterpillar machine. Caterpillar offers three delivery days per week to Fremont County for parts at 2% of the parts cost. The Case vendor does not run a parts delivery service to Fremont County, resulting in the need to use UPS/Fedex/USPS or specialty truck delivery services, driving up the parts delivery cost. The diesel exhaust fluid (DEF) burn rate was surprisingly higher with the Case machine with over four times the amount of DEF used – amounting to an additional \$800/year operational cost. The Case vendor does not offer/provide the oil/fluid analysis services utilized by the District in monitoring for potential failures of the power-train or drive-train. This will add additional operational expenses to the District in comparison to the Caterpillar vendor's bid that includes this service at no cost.

It was determined that the running-cost of the Caterpillar machine will be lower in comparison to the Case machine.

There are a few safety related options included with the Caterpillar machine that add value to the operational safety and liability of the machine. These items include a front-mounted camera for additional visibility when loading, an operator seat belt monitor and alarm, two radar sensors on the rear-view camera to provide visual and audible alarms for objects behind the machine, and electronically adjustable mirrors for ease of adjustment.

From a strictly financial purchase/trade review, in my opinion the best course of action would be to:

- ➔ Purchase the two new loaders through Wyoming Machinery with a purchase savings of \$24,261.92.
- ➔ Coordinate a commission-based sale of the two used machines through Titan Machinery with an additional sale value of \$27,550 (less commission).
- ➔ This would allow the District to save/gain a total of \$51,766.92 (less the commission on the sale of the used machines).

Replacement of these machines now, on a seven to eight year replacement cycle, and assuming the run-time of these machines will be similar over the next seven to eight years, it will lead to replacement of these machines again as we are working through the transition from the Lander Landfill to the Sand Draw Landfill. This timing will work well as it will allow a review of these machines for our future needs under a different operational model.

My recommendation to the Board would be to:

- ➔ Bid Award: Award the bid to Wyoming Machinery for two new, model year 2022, 926M front-end loaders, with a purchase price of \$211,682.28 per unit, or \$423,364.56 total purchase price.
- ➔ Explore Alternative Sales: Once the new loaders arrive onsite and are ready for use, the District can then pursue alternative sales options for the two loaders selected for replacement.

This subject will be an agenda item at the December 2021 Board meeting. Please feel free to contact me at your convenience with any comments or questions.

Thank you,



Andrew Frey, P.E.

Superintendent of Operations

Fremont County Solid Waste Disposal District

Date: 12/2/2021

Andy,

As promised, I'm providing some thoughts on how to address the issue related to measurement and payment of the subgrade cut quantity for the Shoshoni Landfill Closure project per your earlier email and our phone discussion on November 18th.

As you know, the planned quantity for subgrade cut, as defined in the bid documents, was 20,600 CY. The intent was to pay for material excavated from within the footprint or stockpiles to construct the prepared subgrade. Relocation of the remaining stockpile material within the liner extents was to be paid subsidiary to the subgrade cut pay item. During the bidding process, one of the contractors asked if the unclassified soil stockpile material would be paid as part of the subgrade cut pay item. Our response indicated that stockpile relocation quantity would be paid as subgrade cut - this was an oversight on our part. Based on Addendum No. 1, DRM bid the project assuming they would get paid to relocate the stockpile, which resulted in a quantity overrun of 6,480 CY, at a cost of \$16,912.80.

DRM, the prime contractor, is behind schedule and has not met the substantial completion date, nor will they meet the final completion date. When we discussed liquidated damages, DRM proposed to not pursue a change order for the excess subgrade cut quantity if the FCSWDD would be willing to not assess liquidated damages for failure to meet the completion deadline. Based on our discussions with DRM, the substantial completion date would move to December 17, 2021 and the final completion date moved to December 31, 2021; approximately 20 days later than projected.

As of 11/27, Trihydro has spent \$56,737 of the \$121,395 budget. We are projecting that we will expend an additional \$42,000 to complete the project based on the modified substantial and final completion dates.

Currently, Trihydro has approximately \$2,000 in CQA technician per diem and lodging costs that (per FCSWDD) cannot be charged to the project. As a result of the additional 20 days of field time due to DRM's extended completion date, we anticipate that total increasing to nearly \$8,000. Our approved budget for the project was \$121,395. At our current burn rate, and including the additional 20 days of CQA time due to the extended schedule, we still anticipate completing our work for around \$100,000; more than \$20K under budget. The \$8,000 in non-chargeable project expenses will put the project underwater for Trihydro and negates all of our profit margin, and then some. As of today, we are already seeing a project loss of more than \$2,000 with just \$56,737 in project revenues.

Since we are expecting to realize a loss on the project, and we anticipate our fee will be approximately 18% under budget, we hope the District can recognize our current project financial status amounts to a significant contribution to lessen any burden caused by the increased subgrade cut quantity. Trihydro will remain diligent in spending the District's money as if it were our own on the remainder of this project and others where we serve the District. Current projections indicate the overall project budget (engineering and construction) is on track to come in approximately 4% under budget; a significant savings for the District.

Date: 12/2/2021

The FCSWDD is a valued client of Trihydro's, and we want to demonstrate our commitment to resolving this issue in a manner that is acceptable to the FCSWDD. Please feel free to contact me should you wish to discuss this matter further or if I can provide additional information.

Travis Evans, PE
Engineering Specialist