

**PARK COUNTY  
SCHOOL DISTRICT NUMBER 6**

**FINANCIAL REPORT**

**JUNE 30, 2021**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Park County School District Number 6  
Cody, Wyoming

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Park County School District Number 6, 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.

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

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

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Park County School District Number 6 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.



### ***Change in Accounting Principle***

As described in Note 12 to the financial statement, during the year ended June 30, 2021, the District adopted new accounting guidance, GASB Statement No. 84. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required Governmental Accounting Standards Board pension schedules on pages 3-14, and 46-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park County School District Number 6's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2021, on our consideration of Park County School District Number 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Park County School District Number 6's internal control over financial reporting and compliance.

*Fagnant, Lewis & Brinda, P.C.*

Fagnant, Lewis & Brinda, P.C.  
Lander, Wyoming  
November 19, 2021



# **Management's Discussion and Analysis**

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## **Park County School District Number 6 Management Discussion and Analysis**

This section of Park County School District Number 6's Comprehensive Annual Financial Report presents a discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2021. A comparative analysis of government-wide data is also presented. Please read this in conjunction with the audited financial statements contained in this bound report.

### **Financial Highlights**

The General Fund ending fund balance (reported on the Non-GAAP Basis) decreased from \$4,920,880 in fiscal year 2020 to \$4,325,072 in 2021.

The District saw its assessed valuation increase from \$375,875,154 in 2020 to \$378,712,337 in 2021. The countywide assessed valuation increased by 0.76% from the prior year. Per the county assessor, the increase was due to local valuation, new construction and increase in the market.

The administration and board will continue to monitor student membership and legislative changes to the funding model in order to be prepared for funding and staffing changes based on enrollment.

The financial statements included in this audit report include the previous adoption of GASB 68, Accounting and Financial Reporting for Pensions. This statement significantly changed the way state and local government pensions are reported in the Government-wide Financials. The State of Wyoming prepared a report using GASB 68 guidelines that determined the unfunded pension liability for the Wyoming Retirement System. They then prepared a report allocating a portion of this amount to every public entity in the state. The net pension liability that is recorded on our June 30, 2021 governmental activities is \$22,977,006 which is down from the previous amount at June 30, 2020 of \$25,281,536. The net effect of this change is that the June 30, 2021 financial statements now have a (\$22,225,990) deficit in our unrestricted fund balance. Although the accounting rules require that this liability be included in our financial statements, it is not something that we would ever have to pay. The District will continue to be impacted indirectly through increased contribution rates in 2022 which can vary depending on the overall pension plan's underlying investment performance and participant base within the plan.

### **Overview of the Financial Statements**

This annual report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.

The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term*, as well as what finances remain for future spending.

*Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operated *like businesses*, such as food service.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

*Fiduciary funds* statements provide information about the financial relationship in which the District acts solely as a *trustee or agent* for the benefit of others. The most common of these are student-activity accounts created for clubs or counsels. Revenues are generated by the memberships through donations or fundraising.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and are related to one another.

**Figure A-1**  
**Park County School District Number 6 Annual Financial Report**

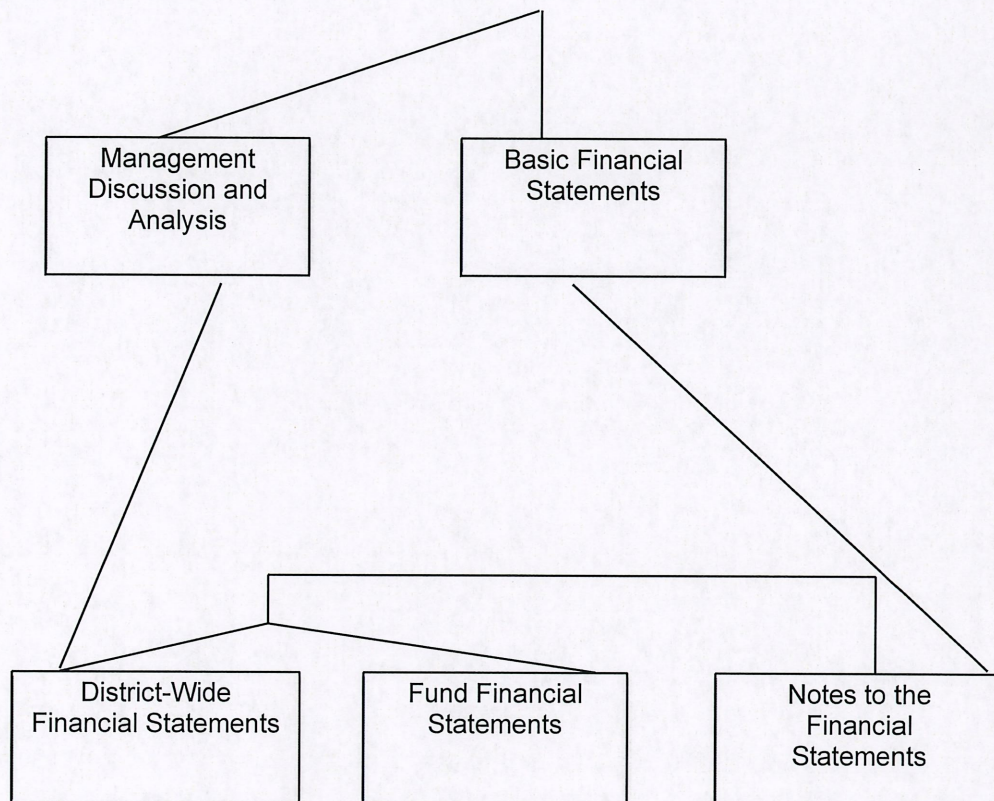


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that are covered and the types of information contained. The remainder of this overview section highlights the structure and contents of each statement.



**Figure A-2  
Major Features of the District-Wide and Fund Financial Statements**

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food service	Instances in which the District administers resources on behalf of someone else, such as student-activity monies
Required Financial Statements	Statements of Net Positions  Statements of Activities	Balance Sheet  Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Fund Net Position  Statement of Cash Flows	Statement of Fiduciary Net Position  Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short- and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid out	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
MANAGEMENT DISCUSSION AND ANALYSIS**

**District-Wide Financial Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year revenue and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

The two District-wide statements report the District's *net position* and changes. Net position, the difference between the District's assets and liabilities, is one way to measure the financial health or *position*.

Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.

However, to assess the District's overall financial health, one needs to consider other factors such as changes in the District's property tax basis, condition of school buildings, pending litigation, legislative issues related to concerns about state revenues and the Wyoming School Funding Model, and student-average daily membership numbers.

In the District-wide financial statements, the District's activities are divided into two categories:

- A. *Governmental activities*: Most of the District's basic services are included in this category, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.
- B. *Business-type activities*: The District charges to help cover the cost of certain services. The District's food service program is an example.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law while other funds have been established to control and manage money for particular reasons or to show that we are properly using certain revenues.

The District has three kinds of funds:

- A. *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on, (1) how cash and other financial assets that can readily be converted to cash flow in and out and, (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- B. *Proprietary funds*: Services for which the District charges a price or fee are generally reported in proprietary funds. Proprietary funds are reported the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow. *Internal service funds* (the other kind of proprietary fund), are optional and available to report activities that provide supplies and services for other District programs and activities.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
MANAGEMENT DISCUSSION AND ANALYSIS**

**Financial Analysis of the District as a Whole**

As shown in Figure A-3, the District's total assets were \$74,393,396 at June 30, 2021.

**Figure A-3  
Condensed Statement of Net Position**

	<b>Governmental Activities 2021</b>	<b>Business-Type Activities 2021</b>	<b>Total School District 2021</b>
Current Assets	\$ 17,125,520	\$ 341,258	\$ 17,466,778
Non-Current Assets	56,812,497	114,121	56,926,618
<b>Total Assets</b>	<b>73,938,017</b>	<b>455,379</b>	<b>74,393,396</b>
Deferred Outflow of Resources			
Pension	2,981,020	234,113	3,215,133
Current Liabilities	3,508,465	26,337	3,534,802
Non-Current Liabilities	23,398,489	157,472	23,555,961
<b>Total Liabilities</b>	<b>26,906,954</b>	<b>183,809</b>	<b>27,090,763</b>
Deferred Inflow of Resources			
Property Taxes	5,567,398	0	5,567,398
Pension	6,167,698	484,377	6,652,075
<b>Total Deferred Inflow of Resources</b>	<b>11,735,096</b>	<b>484,377</b>	<b>12,219,473</b>
Net Position			
Net Investment in Capital Assets	56,046,906	114,121	56,161,027
Nonspendable	468,903	25,346	494,249
Restricted	3,987,168	0	3,987,168
Unrestricted	(22,225,990)	(118,161)	(22,344,151)
<b>Total Net Position</b>	<b>\$ 38,276,987</b>	<b>\$ 21,306</b>	<b>\$ 38,298,293</b>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
MANAGEMENT DISCUSSION AND ANALYSIS**

As shown in Figure A-4, the District's Change in Net Position at June 30, 2021, increased by \$631,074 due to decreases in the District's proportion of the net pension liability.

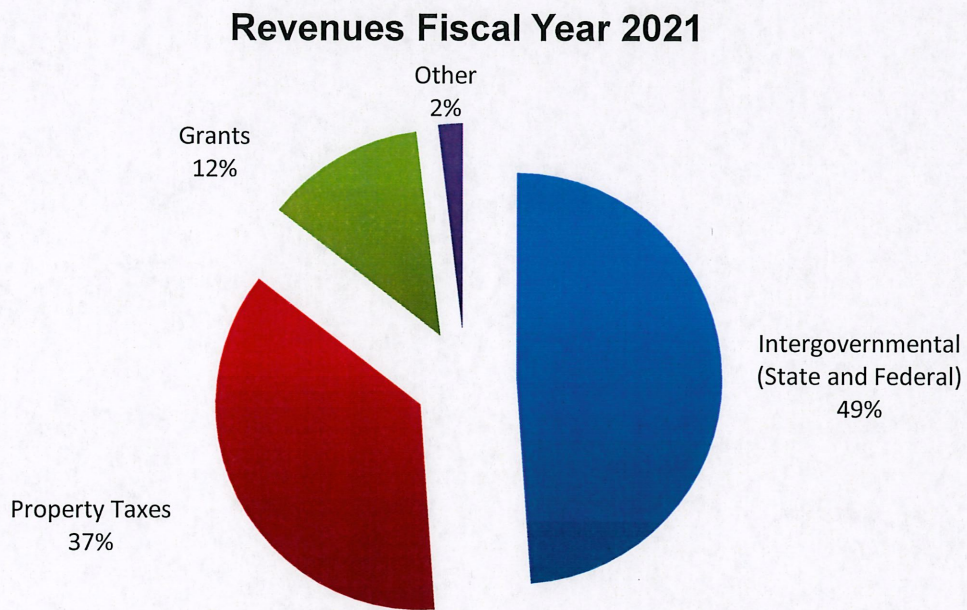
**Figure A-4  
Changes in Net Position**

	<b>Governmental Activities 2020</b>	<b>Governmental Activities 2021</b>	<b>Business Type Activities 2020</b>	<b>Business Type Activities 2021</b>	<b>Total School District 2020</b>	<b>Total School District 2021</b>
<b>REVENUES</b>						
Program Revenues						
Charges for Service	\$ 0	\$ 0	\$ 168,048	\$ 3,148	\$ 168,048	\$ 3,148
Operating Grants	3,308,124	4,783,378	614,322	998,081	3,922,446	5,781,459
Capital Grants	175,000	0	0	0	175,000	-
General Revenue						
Property Tax	13,905,080	13,909,591	0	0	13,905,080	13,909,591
Intergovernmental	17,908,958	18,556,681	0	0	17,908,958	18,556,681
Other	876,908	731,637	8,540	9,122	885,448	740,759
Investment earnings	153,120	6,160	758	93	153,878	6,253
Transfers	(108,662)	0	108,662	0	0	0
<b>Total Revenue</b>	<b>36,218,528</b>	<b>37,987,447</b>	<b>900,330</b>	<b>1,010,444</b>	<b>37,118,858</b>	<b>38,997,891</b>
<b>EXPENSES</b>						
Instruction	21,069,033	20,931,842	0	0	21,069,033	20,931,842
Instructional Support	4,290,243	3,952,099	0	0	4,290,243	3,952,099
Administration/General Support	5,401,975	5,398,203	0	0	5,401,975	5,398,203
Operations and Maintenance	3,297,984	4,132,001	0	0	3,297,984	4,132,001
Transportation	1,650,036	1,612,579	0	0	1,650,036	1,612,579
Other	842,334	1,529,224	928,057	810,869	1,770,391	2,340,093
<b>Total Expenses</b>	<b>36,551,605</b>	<b>37,555,948</b>	<b>928,057</b>	<b>810,869</b>	<b>37,479,662</b>	<b>38,366,817</b>
<b>Increase (Decrease)</b>	<b>\$ (333,077)</b>	<b>\$ 431,499</b>	<b>\$ (27,727)</b>	<b>\$ 199,575</b>	<b>\$ (360,804)</b>	<b>\$ 631,074</b>



**Figure A-5  
Sources of Revenues  
for Fiscal year 2021  
Governmental Activities**

Intergovernmental (State and Federal)	49%
Property Taxes	37%
Grants	13%
Other	2%

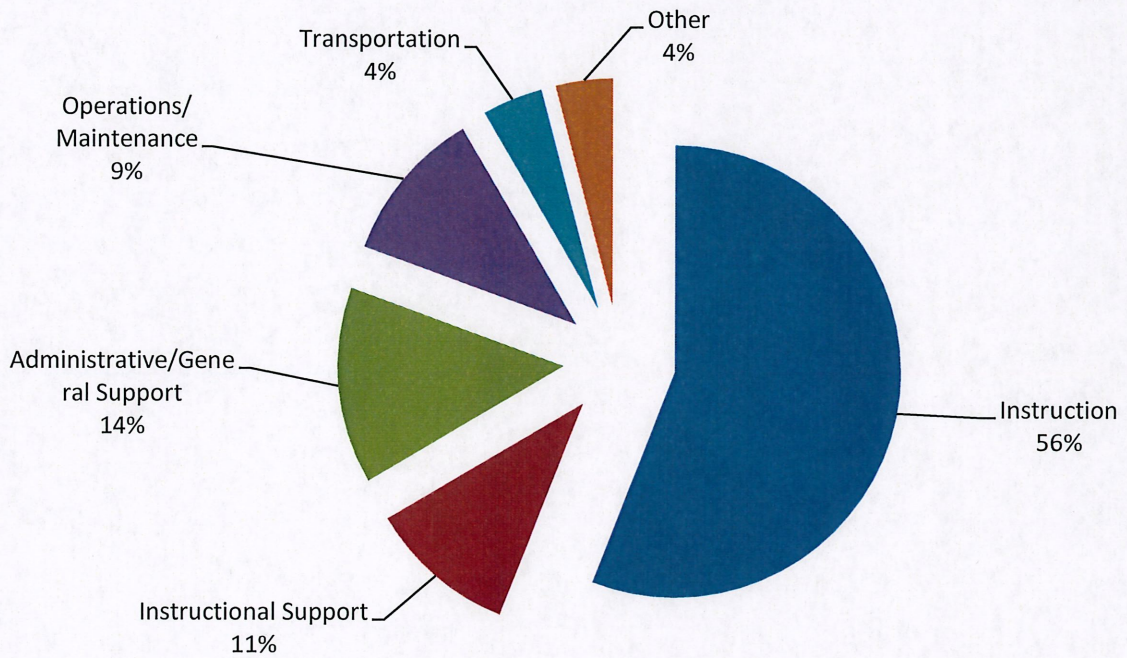




**Figure A-6**  
**Expenses for Fiscal Year 2021**  
**Governmental Activities**

Instruction	56%
Instructional Support	11%
Administrative/General Support	14%
Operations/Maintenance	11%
Transportation	4%
Other	4%

**Expenditures Fiscal Year 2021**





**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**Governmental Activities**

The board and administration will continue to monitor our student attendance as our funding is tied directly to ADM (average daily membership). The final numbers for fiscal year 2021 were down from the previous year by approximately 61 students. The funding model actual ADM compared to the prior three-year-rolling average ADM decreased by approximately 31 students. Early indications for fiscal year 2022 indicate we will experience increasing enrollment, likely due to students returning to public education and a growing number of people moving to our community.

Figure A-7 presents the cost of the District’s major activities. The table shows the total cost and the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs, such as consolidated grant funds and major maintenance) of each activity.

**Figure A-7**  
**Net Cost of Services**

	<b>Total Cost of Services 2020</b>	<b>Total Cost of Services 2021</b>	<b>Net Cost of Services 2020</b>	<b>Net Cost of Services 2021</b>
Instruction	21,069,033	20,931,842	20,209,925	19,138,571
Instructional Support	4,290,243	3,952,099	4,174,923	4,290,243
Administrative Support	5,401,975	5,398,203	5,167,682	5,401,975
Operational and Maintenance	3,297,984	4,132,001	1,785,221	1,745,322
Transportation	1,650,036	1,612,579	1,863,212	1,650,036
Other Support Services	842,334	1,529,224	1,064,895	842,334
<b>Total</b>	<b>36,551,605</b>	<b>37,555,948</b>	<b>34,265,858</b>	<b>33,068,481</b>

**Business-Type Activities**

The District’s Food Service program is operated as business-type programs.

- Sales, State and Federal reimbursements reflected a surplus for the food service program with net income of \$199,575 at year end. No transfer was necessary from the general fund to support the food serve program in fiscal year 2021.

**General Fund Budgetary Highlights**

- The District follows the mandated budget timeline established by the State. The budget approved by the Board in July is an estimate and is based on the information available at that time. During the course of any year the District may need to make adjustments at the program level or have a public hearing to increase the budget.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
MANAGEMENT DISCUSSION AND ANALYSIS**

**Capital Assets**

At the end of the fiscal year 2021, the District had \$91,726,415 invested in land, buildings and contents, equipment and vehicles. The District maintains a depreciation reserve and contributed \$1,165,000 to that account in 2021. These funds are available to be used for projects that cannot be funded through Major Maintenance programs. Figure A-8 shows 2020 balances compared with 2021.

**Figure A-8  
Governmental Capital Assets**

	<u>2020</u>	<u>2021</u>
Land	\$ 1,521,311	\$ 1,521,311
Construction in Progress	2,204,049	490,846
Buildings and Improvements	75,807,170	79,706,579
Equipment and Contents	4,618,365	5,032,280
Vehicles	4,806,162	4,975,399
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 88,957,057</u>	<u>\$ 91,726,415</u>

Business-Type Capital Assets (Net of Depreciation) as of June 30, 2021.

	<u>2020</u>	<u>2021</u>
Equipment and Contents	\$ 20,211	\$ 114,121
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 20,211</u>	<u>\$ 114,121</u>

**Long-Term Debt**

At the end of fiscal year 2021, the District had \$911,756 in long-term debt.

**Figure A-9  
Outstanding Long-Term Debt  
(Net of Short-Term Maturities)**

	<u>2020</u>	<u>2021</u>
Capital leases	\$ 135,610	\$ 765,591
Compensated Absences	159,190	146,165
	<u>                    </u>	<u>                    </u>
	<u>\$ 294,800</u>	<u>\$ 911,756</u>

Does not include Net Pension Liability amounts.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**Figure A-10**  
**Budget vs Actual**  
**Non-GAAP Basis**  
**General Fund**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUE</b>				
Local Revenues	\$11,136,653	\$11,136,653	\$ 11,366,546	\$ 229,893
County Sources	2,798,697	2,798,697	2,776,308	(22,389)
State Sources	18,425,501	18,425,501	18,507,412	81,911
Other Sources	1,500	1,500	88,931	87,431
<b>Total Revenue</b>	<u>32,362,351</u>	<u>32,362,351</u>	<u>32,739,197</u>	<u>376,846</u>
<b>EXPENDITURES</b>				
Instruction	20,027,957	20,287,943	19,776,370	511,573
Instructional Support	4,162,320	4,162,320	3,980,231	182,089
General Support	8,496,313	8,846,393	8,546,615	299,778
Transfers	130,000	1,265,000	1,165,000	100,000
<b>Total Expenditures</b>	<u>32,816,590</u>	<u>34,561,656</u>	<u>33,468,216</u>	<u>1,093,440</u>
Excess of Revenue over (under) Expenditures	<u>\$ (454,239)</u>	<u>\$ (2,199,305)</u>	<u>\$ (729,019)</u>	<u>\$ 1,470,286</u>
Fund Balance July 1	<u>4,920,880</u>	<u>4,920,880</u>	<u>4,920,880</u>	
Fund Balance June 30	<u>\$ 4,466,641</u>	<u>\$ 2,721,575</u>	<u>\$ 4,191,861</u>	



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

**Current Issues**

The District is continuing to monitor average daily membership data. ADM is a key element in the Wyoming Department of Education school funding model. The anticipated increase in ADM will have a positive impact on the District's funding moving forward. The external cost adjustments in the funding model are granted for FY21/22 and there is a proposed ECA for the FY22/23 school year as well. Currently the special education funding is reimbursable based on prior year expenditures, however a proposed rule change may impact future reimbursement. The health insurance funding is estimated to decline moving forward due to changes in the state health insurance plan. Additionally, the Legislature increased the employer and employee retirement contribution rates to Wyoming Retirement System and a percentage increase will occur each year through FY21/22. Lastly, potential economic downturn creates an uncertain outlook for school finance in future years.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Dawn Solberg, Business Manager, Park County School District Number 6, 919 Cody Avenue, Cody, WY 82414 or call 307-587-4283.



# **Government-Wide Financial Statements**

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**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

	Primary Government			Recreation District
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 9,984,883	\$ 249,789	\$ 10,234,672	\$ 529,058
Cash with fiscal agent	405,052	0	405,052	0
Property taxes receivable	5,566,174	0	5,566,174	191,628
Due from other governments	718,491	0	718,491	0
Other receivables	0	48,140	48,140	0
Internal balances receivable (payable), net	(17,983)	17,983	0	0
Prepaid and other	468,903	0	468,903	0
Inventories	0	25,346	25,346	0
Total Current Assets	<u>17,125,520</u>	<u>341,258</u>	<u>17,466,778</u>	<u>720,686</u>
<b>Noncurrent Assets</b>				
Nondepreciated capital assets	2,012,157	0	2,012,157	0
Depreciated capital assets, net	54,800,340	114,121	54,914,461	0
Total Noncurrent Assets	<u>56,812,497</u>	<u>114,121</u>	<u>56,926,618</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<u>\$ 73,938,017</u>	<u>\$ 455,379</u>	<u>\$ 74,393,396</u>	<u>\$ 720,686</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension	2,981,020	234,113	3,215,133	0
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>2,981,020</u>	<u>234,113</u>	<u>3,215,133</u>	<u>0</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 3,179,974	\$ 22,027	\$ 3,202,001	\$ 7,175
Current portion of long-term debt	328,491	4,310	332,801	0
Total Current Liabilities	<u>3,508,465</u>	<u>26,337</u>	<u>3,534,802</u>	<u>7,175</u>
<b>Noncurrent Liabilities</b>				
Net pension liability	22,819,534	157,472	22,977,006	0
Capital lease obligation	578,955	0	578,955	0
Total Noncurrent Liabilities	<u>23,398,489</u>	<u>157,472</u>	<u>23,555,961</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>26,906,954</u>	<u>183,809</u>	<u>27,090,763</u>	<u>7,175</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pension	6,167,698	484,377	6,652,075	0
Property taxes	5,567,398	0	5,567,398	179,062
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u>11,735,096</u>	<u>484,377</u>	<u>12,219,473</u>	<u>179,062</u>
<b>NET POSITION</b>				
Net investment in capital assets	56,046,906	114,121	56,161,027	0
Nonspendable				
Prepays	468,903	0	468,903	0
Inventory	0	25,346	25,346	0
Restricted for				
Special revenue	273,738	0	273,738	0
Capital projects	2,124,052	0	2,124,052	0
Major maintenance	1,589,378	0	1,589,378	0
Recreation district	0	0	0	534,449
Unrestricted	(22,225,990)	(118,161)	(22,344,151)	0
<b>TOTAL NET POSITION</b>	<u>\$ 38,276,987</u>	<u>\$ 21,306</u>	<u>\$ 38,298,293</u>	<u>\$ 534,449</u>

See Notes to Financial Statements



PARK COUNTY SCHOOL DISTRICT NUMBER 6  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Recreation District
<b>Primary Government</b>								
<b>Governmental Activities</b>								
Instruction								
Regular	\$ 14,315,644	\$ 0	\$ 0	\$ 0	\$ (14,315,644)	\$ 0	\$ (14,315,644)	\$ 0
Special	5,959,406	0	2,805,071	0	(3,154,335)	0	(3,154,335)	0
Vocational	656,792	0	0	0	(656,792)	0	(656,792)	0
Instructional support								
Instructional staff	1,636,021	0	0	0	(1,636,021)	0	(1,636,021)	0
Pupil	2,316,078	0	0	0	(2,316,078)	0	(2,316,078)	0
General support								
Administration	2,618,928	0	0	0	(2,618,928)	0	(2,618,928)	0
Business	2,617,124	0	0	0	(2,617,124)	0	(2,617,124)	0
Board	162,151	0	0	0	(162,151)	0	(162,151)	0
Operations and maintenance	4,132,001	0	1,621,445	0	(2,510,556)	0	(2,510,556)	0
Transportation	1,612,579	0	0	0	(1,612,579)	0	(1,612,579)	0
Technology	1,110,038	0	0	0	(1,110,038)	0	(1,110,038)	0
Other	419,186	0	356,862	0	(62,324)	0	(62,324)	0
<b>Total Governmental Activities</b>	<b>37,555,948</b>	<b>0</b>	<b>4,783,378</b>	<b>0</b>	<b>(32,772,570)</b>	<b>0</b>	<b>(32,772,570)</b>	<b>0</b>
<b>Business-Type Activities</b>								
Food service	810,869	3,148	998,081	0	0	190,360	190,360	0
<b>Total Government</b>	<b>\$ 38,366,817</b>	<b>\$ 3,148</b>	<b>\$ 5,781,459</b>	<b>\$ 0</b>	<b>\$ (32,772,570)</b>	<b>\$ 190,360</b>	<b>\$ (32,582,210)</b>	<b>\$ 0</b>
<b>Component Unit</b>								
Recreation District	\$ 355,686	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (355,686)
General Revenues								
Property taxes					13,909,591	0	13,909,591	451,064
Intergovernmental					18,556,681	0	18,556,681	0
Investment earnings					6,160	93	6,253	5,869
Gain on Disposition of Assets					358,803	0	358,803	0
Miscellaneous income					372,834	9,122	381,956	0
<b>Total general revenues and transfers</b>					<b>33,204,069</b>	<b>9,215</b>	<b>33,213,284</b>	<b>456,933</b>
<b>Change in net position</b>					<b>431,499</b>	<b>199,575</b>	<b>631,074</b>	<b>101,247</b>
<b>Net position - July 1, restated</b>					<b>37,845,488</b>	<b>(178,269)</b>	<b>37,667,219</b>	<b>433,202</b>
<b>Net position - June 30</b>					<b>\$ 38,276,987</b>	<b>\$ 21,306</b>	<b>\$ 38,298,293</b>	<b>\$ 534,449</b>

See Notes to Financial Statements



# **Fund Financial Statements**

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**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,495,773	\$ 2,136,767	\$ 2,352,343	\$ 9,984,883
Cash with fiscal agent	405,052	0	0	405,052
Receivables				
Taxes	5,566,174	0	0	5,566,174
Other governments	373,899	0	344,592	718,491
Due from other funds	548,087	0	0	548,087
Prepaid and other	468,903	0	0	468,903
<b>Total Assets</b>	<u>\$ 12,857,888</u>	<u>\$ 2,136,767</u>	<u>\$ 2,696,935</u>	<u>\$ 17,691,590</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 2,882,659	\$ 12,715	\$ 284,600	\$ 3,179,974
Due to other funds	16,851	0	549,219	566,070
<b>Total Liabilities</b>	<u>2,899,510</u>	<u>12,715</u>	<u>833,819</u>	<u>3,746,044</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	5,633,306	0	0	5,633,306
<b>FUND BALANCE</b>				
Nonspendable				
Prepays	468,903	0	0	468,903
Restricted for				
Special revenue	0	0	273,738	273,738
Capital projects	0	2,124,052	0	2,124,052
Major maintenance	0	0	1,589,378	1,589,378
Unassigned	3,856,169	0	0	3,856,169
<b>Total Fund Balance</b>	<u>4,325,072</u>	<u>2,124,052</u>	<u>1,863,116</u>	<u>8,312,240</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 12,857,888</u>	<u>\$ 2,136,767</u>	<u>\$ 2,696,935</u>	<u>\$ 17,691,590</u>

See Notes to Financial Statements



PARK COUNTY SCHOOL DISTRICT NUMBER 6  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 JUNE 30, 2021

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 8,312,240</b>
 <b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of assets is \$91,726,415, and the accumulated depreciation is \$34,913,918.		56,812,497
Receivables will be collected after this year and are not considered available soon enough to pay for current period's expenditures and therefore are deferred in the governmental funds.		
Property taxes		65,908
Deferred outflows of resources related to pensions are applicable to future periods and therefore not reported in the governmental fund statements.		2,981,020
Deferred inflows of resources related to other post employment benefits are applicable to future periods and therefore not reported in the governmental fund statements.		(6,167,698)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Net pension liability	(22,819,534)	
Compensated absences payable	(141,855)	
Capital lease obligations	(765,591)	(23,726,980)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 38,276,987</b>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ 14,088,578	\$ 0	\$ 0	\$ 14,088,578
Intergovernmental	18,556,681	0	4,426,516	22,983,197
Investment income	4,735	890	535	6,160
Other revenue	126,646	429,003	656,811	1,212,460
	<u>32,776,640</u>	<u>429,893</u>	<u>5,083,862</u>	<u>38,290,395</u>
<b>EXPENDITURES</b>				
Instruction				
Regular	14,208,439	0	210,552	14,418,991
Special	4,824,428	0	1,181,274	6,005,702
Vocational	643,684	0	0	643,684
Instructional support				
Instructional staff	1,648,956	0	0	1,648,956
Pupil	2,320,865	0	0	2,320,865
General support				
Administration	2,146,564	0	492,566	2,639,130
Business	497,458	0	0	497,458
Board	163,433	0	0	163,433
Operations and maintenance	2,905,415	0	901,343	3,806,758
Transportation	2,670,613	0	0	2,670,613
Technology	1,118,814	0	0	1,118,814
Major maintenance	0	0	642,984	642,984
Other	21,799	0	354,689	376,488
Capital outlay				
Facilities acquisition, construction, and improvement services	0	2,588,671	0	2,588,671
	<u>33,170,468</u>	<u>2,588,671</u>	<u>3,783,408</u>	<u>39,542,547</u>
Excess of revenues over (under) expenditures	<u>(393,828)</u>	<u>(2,158,778)</u>	<u>1,300,454</u>	<u>(1,252,152)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital lease	963,020	0	0	963,020
Operating transfers in	0	1,165,000	0	1,165,000
Operating transfers out	(1,165,000)	0	0	(1,165,000)
	<u>(201,980)</u>	<u>1,165,000</u>	<u>0</u>	<u>963,020</u>
Excess of revenues and other sources over (under) expenditures and other uses	(595,808)	(993,778)	1,300,454	(289,132)
<b>FUND BALANCE - JULY 1</b>	<u>4,920,880</u>	<u>3,117,830</u>	<u>562,662</u>	<u>8,601,372</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ 4,325,072</u>	<u>\$ 2,124,052</u>	<u>\$ 1,863,116</u>	<u>\$ 8,312,240</u>

See Notes to Financial Statements



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021**

**Total Net Change in Fund Balances - Governmental Funds** \$ (289,132)

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

Capital outlays are reported in governmental funds as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period.

Depreciation expense	(2,712,451)	
Capital outlays	<u>4,070,776</u>	1,358,325

Gain on disposal of assets is reported in the statement of net position. However, they are not reported in governmental funds. 358,803

Governmental funds recognize proceeds from the sale of assets as revenue. However, they are not reported in the statement of activities (482,764)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. In the Statement of Activities, property taxes are recognized as revenue when levied. (178,987)

Governmental funds recognize lease proceeds and expenditures for purchases of equipment obtained by capital lease. However, no proceeds and only non capitalized expenses are included in the statement of net position (963,020)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. 333,039

Governmental funds report District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

District pension contributions subsequent to measurement date	1,429,632	
Cost of benefits earned net of employee contributions (pension expense from pension schedule)	<u>(1,147,145)</u>	282,487

Governmental funds do not reflect expenses which will be paid by future financial resources. However, accrued obligations at year-end are reflected in the statement of activities and expenses.

Accrued compensated absences	12,748	<u>12,748</u>
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**TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 431,499



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2021**

	<b>Food Service</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 249,789
Due from other governments	48,140
Due from other funds	19,596
Inventory	25,346
Total Current Assets	342,871
<b>Noncurrent Assets</b>	
Equipment (net of accumulated depreciation)	114,121
<b>TOTAL ASSETS</b>	<b>\$ 456,992</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>	
Pension	\$ 234,113
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable and accrued expenses	\$ 22,027
Due to other funds	1,613
Current portion of long-term debt	4,310
Total Current Liabilities	27,950
<b>Noncurrent Liabilities</b>	
Net pension liability	157,472
<b>TOTAL LIABILITIES</b>	<b>\$ 185,422</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Pension	\$ 484,377
<b>NET POSITION</b>	
Net investment in capital assets	114,121
Unrestricted	(92,815)
<b>TOTAL NET POSITION</b>	<b>\$ 21,306</b>

See Notes to Financial Statements



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2021**

	<b><u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 3,148
Miscellaneous revenue	9,122
Total Operating Revenues	<u>12,270</u>
<b>OPERATING EXPENSES</b>	
Salaries	250,601
Employee benefits	89,671
Supplies and materials	414,624
Commodities	45,575
Depreciation	<u>10,398</u>
Total Operating Expenses	<u>810,869</u>
Operating income (loss)	<u>(798,599)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements and support	998,081
Investment income	<u>93</u>
Total Nonoperating Revenues	<u>998,174</u>
Net income (loss)	199,575
<b>NET POSITION - JULY 1</b>	<u>(178,269)</u>
<b>NET POSITION - JUNE 30</b>	<u><u>\$ 21,306</u></u>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
YEAR ENDED JUNE 30, 2021**

	<u>Food Service</u>
<b>INCREASE (DECREASE) IN CASH</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 12,270
Cash payments for goods and services	(408,176)
Cash paid to employees	(344,485)
Net Cash Used in Operating Activities	<u>(740,391)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from federal sources	1,027,860
Net Cash Provided by Noncapital Financing Activities	<u>1,027,860</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of equipment	(104,308)
Net Cash Used in Capital and Related Financing Activities	<u>(104,308)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	93
Net Cash Provided by Investing Activities	<u>93</u>
<b>NET CHANGE IN CASH</b>	183,254
<b>CASH - BEGINNING OF YEAR</b>	<u>66,535</u>
<b>CASH - END OF YEAR</b>	<u>\$ 249,789</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (798,599)
Adjustments to reconcile operating loss to net cash used for operating activities	
Federal commodities support	45,575
Depreciation	10,398
(Increase) decrease in prepaid expenses	5,370
(Increase) decrease in inventory	(12,434)
(Increase) decrease in deferred outflows of resources	1,016,924
Increase (decrease) in accounts payable and accrued expenses	13,512
Increase (decrease) in deferred inflows of resources	(987,264)
Increase (decrease) in net pension liability	<u>(33,873)</u>
Net Cash Used in Operating Activities	<u>\$ (740,391)</u>

See Notes To Financial Statements



# **Notes to Financial Statements**

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**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 - Organization and Summary of Significant Accounting Policies**

**General Information**

Park County School District Number 6 (District) serves constituents of the City of Cody, as well as the surrounding rural areas. The District provides public education for students from kindergarten through grade twelve in one high school, one middle school, three elementary schools and two rural schools, (both of which include elementary grades).

The District's Board of Trustees has responsibility over all activities related to public elementary and secondary school education within the jurisdiction of Park County School District Number 6. The District receives funding from federal, state and local government sources and must comply with requirements from these funding sources. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the District.

**Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Park County School District Number 6, this includes general operations, food service, and student-related activities of the School District. The following activities may also be included within the reporting entity if the nature and significance of their relationship with the primary government are such that their exclusion would cause the District's financial statements to be misleading or incomplete.

**Discretely Presented Component Unit**

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; (2) the School District is legally entitled to or can otherwise access the organization's resources; (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes.

The District has participated in the creation of the Shoshone Recreation District (Recreation District) as authorized by Wyoming Statutes. The District's Board of Trustees appoints one board member to the Recreation District. The District must approve the annual budget of the Recreation District. The Recreation District provides support for various entities within the community related to recreational activities and the purchase and contribution of recreational equipment for organizations within the community. The Recreation District is a separate legal entity and is accountable for its own activities. The District can impose a tax, not to exceed one mill, of the District's assessed valuation for the purpose of operating the Recreation District.

The financial statements of Park County School District Number 6 have been prepared in conformity with generally accepted accounting principles (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.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Basis of Presentation**

The School District's basic financial statements consist of government-wide statements consisting of a statement of net position, and a statement of activities; and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of net position presents the financial condition of the governmental activities of the School District at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

2. Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major governmental fund and proprietary fund is presented in separate columns. Non-major funds are aggregated and presented in a single column. The fiduciary fund is reported by type.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the School District's enterprise fund are food service charges. Operating expenses for the School District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fund Accounting**

The School District uses funds to maintain its financial records with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

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



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Fund Accounting (cont.)**

Major Funds

*General Fund*

The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Wyoming.

*Capital Projects Fund*

The capital projects fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for construction of District facilities.

Non-Major Governmental Funds

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose, and construction activities.

*Special Revenue Fund*

The special revenue fund is used to account for financial resources of specific federal, state, and local grant sources that are legally restricted to expenditure for specified purposes.

*Major Maintenance Fund*

The major maintenance fund is used to account for financial resources to be used specifically for major maintenance of District facilities.

2. Proprietary Fund

The proprietary fund is used to account separately for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs of providing goods or services are financed or recovered in part through user charges. The School District's only proprietary fund is the Food Service Enterprise fund.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Measurement Focus and Basis of Accounting**

1. Government-Wide Financial Statements  
The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net positions are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.
2. Fund Financial Statements  
The 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period.

Revenue from federal, state, and other grants designated for payment of specific School District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**Budget and Budgetary Accounting**

The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts after approved budget amendments during fiscal year 2021.

The District follows these procedures in establishing the budgetary data reflected for the General Fund in the financial statements. The other governmental funds are also required to adopt budgets although that data is not presented in the financial statements.

- Prior to May 15, the Superintendent submits to the School Board a proposed operating budget for the 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 preceding year. In addition, more detailed line budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- Public hearings are conducted within the District to obtain taxpayer comments.
- Prior to August 1, the budget is legally enacted through passage of a motion.
- The District can, after public notice, transfer budgeted amounts between departments within any funds.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Budget and Budgetary Accounting (cont.)**

- Budgets for the General, Major Maintenance, and other governmental funds are adopted on a basis and perspective which can differ significantly from generally accepted accounting principles (GAAP). The primary difference is in the recognition of capital leases which the budgetary basis recognizes when payment is made, while GAAP basis recognizes when the lease is signed.
- All appropriations, except capital projects funds, lapse each fiscal year-end.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the District considers cash and cash equivalents to consist of all cash, either on hand or in banks, including time deposits and money market accounts held in the Wyoming Government Investment Fund, and any highly liquid debt instruments purchased with a maturity of three months or less.

**Inventory and Prepaid Items**

Proprietary fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold. Inventory in the Cafeteria Fund consists of food product including USDA food commodities held for consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Inventories and prepaid items in the governmental funds are offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

**Property Taxes**

The District's property taxes are levied at the County level on October 1 of each year. The County Assessor is responsible for assessment of all taxable real property within Park County. The County Treasurer computes the annual tax for each parcel of real property and prepares tax books used as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Treasurer, who remits to each unit its respective share of the collections. Provided the payments are timely, the tax can be paid in two equal installments on November 10 and May 10, or the tax may be paid in full by December 31 with no interest accrual. Taxes collected are distributed after the end of each month.

The levy becomes an enforceable lien against the property as of January 1 of the preceding levy year. Thus, in accordance with GASB Codification Section N50, a property tax receivable has been recorded equal to fifty percent of the amount levied for the District on the following August. This amount is deferred and will be recognized in the period for which the taxes are levied. A 1 percent allowance has been recorded against the receivable at year-end.

**Capital Assets**

General capital assets result from expenditures in the governmental funds and include property, plant, and equipment. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Capital Assets (cont.)**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization policy whereby all assets with an initial, individual cost greater than \$5,000 and an estimated life in excess of two years are deemed to be capital assets and included in the government-wide financial statements. The School District possesses insignificant infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not considered capital assets.

All reported capital assets except for land and land improvements are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Land improvements	15-20 years
Buildings and improvements	25-50 years
Furniture and equipment	7-10 years
Vehicles	5-8 years
Software	3 years

**Compensated Absences**

It is the District's policy to permit employees to accumulate earned but unused vacation benefits and compensatory time. Employees that do not use their accumulated vacation benefits forfeit the benefit at the end of the following fiscal year. Employees receive compensation upon termination of employment for accumulated vacation benefits. Sick leave and personal days do not vest to the employee.

The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide and proprietary financial statements. Governmental funds report only the matured compensated absences payable to currently terminating employees.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. The capital leases and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until the maturity date of each installment.

**Pensions**

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



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Fund Balance**

The District uses the fund balance definitions in GASB Codification Section 1800 for financial reporting for all governmental fund types. The definitions provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

**Nonspendable fund balance** – amounts that are in nonspendable form (such as inventory and prepaid items) or are required to be maintained intact.

**Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.

**Committed fund balance** – amounts constrained to specific purposes by the District itself enacted by resolution of the District's Board of Directors. Committed fund balance cannot be used for any other purpose unless the commitment expires as set forth in the resolution, or a new resolution is enacted by the District's Board of Directors.

**Assigned fund balance** – amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the District's Board of Directors delegates authority.

**Unassigned fund balance** – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The School District applies nonspendable, restricted, committed, assigned, and then unassigned resources when an expense is incurred for purposes that satisfy the related definition and criteria for the related net asset classification shown above.

It is the District's policy that the general fund is responsible for any deficit fund balances that are created through the normal course of business or satisfying various regulatory requirements that the District is required to comply with.

**Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the financial statements report a separate section for deferred outflows and inflows of resources. A deferred inflow of resources represents an acquisition of net position by the District that is applicable to a future reporting period and a deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position or fund balance sheet, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until period(s) to which they are related. The District reports the following deferred inflows and outflows of resources:

*Unavailable revenues* – unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and unavailable intergovernmental revenue from other governmental entities. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide statement of net position, the property tax revenue is reported as a deferred inflow of resources in the year they are assessed.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**Deferred Outflows and Inflows of Resources (cont.)**

*Pension plan items* – in the government-wide and proprietary fund statement of net position, deferred outflows and inflows of resources are reported for the unrecognized items related to the District's share of the difference between projected and actual earnings, for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for the changes of assumptions or other inputs.

**Net Position**

Net position is a function of assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources equals net position. The caption "invested in capital assets, net of related debt" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

The District applies restricted and then unrestricted resources when an expense is incurred for purposes that satisfy the related definition and criteria for the related net position classification shown above for fund financial statements.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the governmental fund financial statements. Interfund receivables and payables are eliminated in the government-wide financial statements, except those with business-type and fiduciary funds, which are reported in the government-wide financial statements as "internal balances."

**Estimates**

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

**New and Upcoming Accounting Pronouncements**

The following are Statements of the Governmental Accounting Standards Board (GASB) that are or will be applicable to the District. At June 30, 2021, the District was aware of the following new standards issued by GASB:

**Implemented in the Current Year**

- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective immediately.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**New and Upcoming Accounting Pronouncements (cont.)**

**Not Yet Implemented**

- GASB Statement No. 87, *Leases*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for reporting periods beginning after December 15, 2020.
- GASB Statement No. 92, *Omnibus 2020*, effective for reporting periods beginning after June 15, 2021.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal year beginning after June 15, 2022.

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. It 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 beginning in the fiscal year ending June 30, 2022.

In June 2018, The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and also to simplify accounting for interest cost incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reporting in a business-type activity or enterprise fund. Interest cost incurred before the end of a construction period should be recognized as an expenditure for financial statements prepared using the current financial resources measurement. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**New and Upcoming Accounting Pronouncements (cont.)**

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports.
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan.
- The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits.
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements.
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition.
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers.
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature.
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Earlier application is encouraged and is permitted by topic.

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.



**NOTE 1 - Organization and Summary of Significant Accounting Policies (cont.)**

**New and Upcoming Accounting Pronouncements (cont.)**

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, Leases
- Implementation Guide No. 2019-3, Leases

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in each pronouncement as originally issued.

The requirements of this Statement are effective immediately.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

The School District is evaluating the impact that the above GASB statements will have on its financial reporting.

The School District implemented GASB Statement No. 84, Fiduciary Activities during the year in response to a policy change around student activity funds. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Non-GAAP Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Expenditures and revenues for the insurance agency fund are included in the general fund for both budgetary basis and GAAP basis.

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund.

	<u>General Fund</u>
GAAP basis	\$ (595,808)
Net adjustment for revenue accruals	(1,000,463)
Net adjustments for expenditure accruals	867,252
Budget Basis	\$ (729,019)

**NOTE 3 - Deposits and Investments**

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the carrying amount of the District's bank deposits was \$10,763,730 and the bank balance was \$11,505,516. Of the bank balance, \$8,206,669 was covered by federal depository insurance for the District's cash balances and individual certificate holdings with other financial institutions totaling \$699,703. The remaining \$2,599,144 was covered by collateral held in the pledging banks' trust departments.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. The District minimizes the concentration of the credit risk by diversification so that the impact of potential losses from any one type of deposit and/or security or issuer will be minimized.

As of June 30, 2021, the District had deposits in three financial institutions; one which held approximately 94% of the District's total deposits.

**NOTE 4 - Receivables**

Receivables at June 30, 2021, consisted of property taxes, accounts, and intergovernmental grants. Taxes receivable represent uncollected taxes and interest thereon, net of an allowance for uncollectable which amounts to approximately \$68,000.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4 - Receivables (cont.)**

Other receivables are considered collectible in full. Other receivables at June 30, 2021 were \$48,140 which consisted of various federal grant reimbursements in the business-type activities.

**NOTE 5 - Capital Assets**

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

	Balance June 30, 2020	Additions	Deductions	Transfers	Balance June 30, 2021
<b>Governmental Activities</b>					
<b>Capital Assets, Not Being Depreciated</b>					
Land	\$ 1,521,311	\$ 0	\$ 0	\$ 0	\$ 1,521,311
Construction in process	2,204,049	2,834,273	0	(4,547,476)	490,846
<b>Total Capital Assets, Not Being Depreciated</b>	<b>3,725,360</b>	<b>2,834,273</b>	<b>0</b>	<b>(4,547,476)</b>	<b>2,012,157</b>
<b>Capital Assets, Being Depreciated</b>					
Software	180,242	0	0	0	180,242
Buildings and improvements	75,807,170	0	297,900	4,197,309	79,706,579
Equipment and contents	4,438,123	223,873	160,125	350,167	4,852,038
Vehicles	4,776,162	1,012,630	813,393	0	4,975,399
<b>Total Capital Assets, Being Depreciated</b>	<b>85,201,697</b>	<b>1,236,503</b>	<b>1,271,418</b>	<b>4,547,476</b>	<b>89,714,258</b>
<b>Less Accumulated Depreciation</b>					
Software	180,242	0	0	0	180,242
Buildings and improvements	26,635,004	2,070,720	173,939	0	28,531,785
Equipment and contents	2,680,015	353,517	160,125	0	2,873,407
Vehicles	3,853,663	288,214	813,393	0	3,328,484
<b>Total Accumulated Depreciation</b>	<b>33,348,924</b>	<b>2,712,451</b>	<b>1,147,457</b>	<b>0</b>	<b>34,913,918</b>
<b>Capital Assets, Being Depreciated, Net</b>	<b>51,852,773</b>	<b>(1,475,948)</b>	<b>123,961</b>	<b>4,547,476</b>	<b>54,800,340</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 55,578,133</b>	<b>\$ 1,358,325</b>	<b>\$ 123,961</b>	<b>\$ 0</b>	<b>\$ 56,812,497</b>
<b>Business-Type Activities</b>					
<b>Capital Assets, Being Depreciated</b>					
Equipment and contents	\$ 77,685	\$ 104,308	\$ 9,728	\$ 0	\$ 172,265
Less Accumulated Depreciation	57,474	10,398	9,728	0	58,144
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 20,211</b>	<b>\$ 93,910</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 114,121</b>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 - Capital Assets (cont.)**

Depreciation expense was charged to governmental functions as follows:

**Governmental Activities**

Instruction		
Regular	\$	22,387
Special		813
Vocational		18,157
Support services		
Pupil services		13,418
General administration services		10,328
School administration services		500
Business services		2,076,318
Operation and maintenance of plant services		125,504
Pupil transportation services		258,974
Central services		36,922
Major maintenance		105,701
Other support services		43,429
Total Depreciation Expense-Governmental Activities	\$	<u>2,712,451</u>

**Business-Type Activities**

Food service	\$	<u>10,398</u>
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**NOTE 6 - Defined Benefit Pension Plans**

**General Information About the Pension Plan**

*Plan Descriptions* - Substantially all qualified employees of the State, Public School Systems, and other political subdivisions of Wyoming which have elected to participate are eligible for the Public Employees Pension Plan, a cost-sharing, multiple employer defined benefit pension plan administered by the Wyoming Retirement System (WRS). Benefit provisions under the Plan are established by State statute. WRS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the WRS website.

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 retirement benefits at age 50 (Tier 1 employees) and 60 (Tier 2 employees).

*Benefits Provided* - WRS Public Employees Plan provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: 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 adjustments provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the Plan is 100% funded after the COLA is awarded.



**NOTE 6 - Defined Benefit Pension Plans (cont.)**

**General Information About the Pension Plan (cont.)**

Benefits are determined based on two tiers:

Tier 1 are members who joined WRS by August 31, 2012. The Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service. Benefits are calculated as 2.125% of employee's highest average salary for each year of credited service for the first 15 years of service plus 2.25% of the highest average salary for any years of service credit exceeding 15 years. This amount is reduced by 5% per year that the employee is under age 60.

Tier 2 are members who joined WRS after August 31, 2012. The Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55 or 25 years of service. Benefits are calculated as 2% of employee's highest average salary for each year of credited service. This amount is reduced by 5% per year that the employee is under age 65.

All employees may also retire upon normal retirement on the basis that the sum of the employee's age and service is at least 85.

*Contributions* - The Plan statutorily requires 18.12% of the participant's salary to be contributed to the Plan. Contributions consist of 9.00% of the participant's salary as employee contributions and 9.12% as employer contributions. The amount of contributions designated as employee contributions represents the portion of total contributions that a participant retains ownership of and can elect to receive as a refund upon termination of employment. Employers can elect to cover all or a portion of the employee's contribution at their discretion. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2021, the contributions from the District that are recognized as part of pension expense for the Plan were as follows:

Contributions - employer	\$1,778,451
Contributions - employee (paid by employer)	\$1,100,598

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2021, the District reported a net pension liability of \$22,977,006 for its proportionate share of the net pension liability of the Plan.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)**

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020 using generally accepted actuarial procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of December 31, 2020 was 1.05721 percent, which was a decrease of 1.73 percent from its 1.07584 percent proportionate share at December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,468,110. At June 30, 2021, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,429,632	\$ 0
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	292,703	403,815
Net differences between expected and actual experience on net (inflows)/outflows of resources	912,318	6,047,694
Net differences between projected and actual earnings on Plan investments	436,635	200,566
Changes in Assumptions	<u>143,845</u>	<u>0</u>
Total	<u>\$ 3,215,133</u>	<u>\$ 6,652,075</u>

The \$1,429,632 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)**

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

<u>Year end</u>					
<u>June 30</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
2022	898,486	(1,421,466)	1,555,127	534,526	1,566,673
2023	0	(1,592,463)	1,560,828	534,526	502,891
2024	0	0	1,685,591	538,510	2,224,101

*Actuarial Assumptions* - The total pension liabilities in the January 1, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent of Payroll Closed
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.25%
Projected Salary Increase	2.5%-6.5% per year
Investment Rate of Return	7.00%
Mortality	RPS-2014 Employee Mortality Table

*Discount Rate* - The discount rate used to measure the total pension liability was 7.00% for the Plan. The projection of cash flows used to determine the discount rate assumed contributions from participating employers will be made based on the actuarially determined rates based on the WRS Board's funding policy, which establishes the contractually required rates under Wyoming State Statutes. Based on those assumptions, the WRS fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

DISCOUNT RATE			
Single Discount Rate	Long-Term Expected Rate of Return	Long-Term Municipal Bond Rate*	Last year ending December 31 in the 2020 to 2119 projection period for which projected benefit payments are fully funded
7.00%	7.00%	2.00%	2119

\*Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)**

In determining the long-term expected rate of return, the Plan assumes a long-term investment rate of return of 7.00%. The long-term rate of return is determined through a 4.75% net real rate of return and an inflation rate of 2.25%. The following table represents a comparison of an annual money-weighted rate of return, net of investment expenses compared to the expected real rate of return.

Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2020	Annual money-weighted rate of return, net of expenses for the fiscal year ended December 31, 2019	Expected rate of return net investment expenses
11.03%	18.72%	7.00%

The table below reflects the assumed asset allocation of the Plan's portfolio, the long-term expected rate of return for each asset class and the expected rate of return is presented arithmetic and geometric. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Major Portfolio Class	Target Allocation	Arithmetic Real Return	Arithmetic Nominal Return	Geometric Return	Geometric Nominal Return
<b>Tactical Cash</b>	<b>2.00%</b>	<b>-1.00%</b>	<b>1.11%</b>	<b>-1.00%</b>	<b>1.10%</b>
<b>Fixed Income</b>	<b>21.00%</b>	<b>1.34%</b>	<b>3.44%</b>	<b>1.00%</b>	<b>3.10%</b>
Core Plus	5.00%	-0.22%	1.88%	-0.30%	1.80%
US Government	9.00%	-0.06%	2.04%	0.03%	2.13%
Opportunistic	4.00%	2.50%	4.60%	1.93%	4.03%
Private Debt	3.00%	6.59%	8.69%	4.85%	6.95%
<b>Equity</b>	<b>48.50%</b>	<b>7.34%</b>	<b>9.44%</b>	<b>4.23%</b>	<b>7.33%</b>
US Equity	21.20%	6.32%	8.42%	4.70%	6.80%
Developed International	14.20%	6.80%	8.91%	5.00%	7.10%
Emerging Markets	8.60%	8.88%	10.98%	6.00%	8.10%
Private Equity	4.50%	10.94%	13.04%	7.02%	9.12%
<b>Marketable Alternative</b>	<b>19.00%</b>	<b>4.50%</b>	<b>6.60%</b>	<b>3.47%</b>	<b>5.57%</b>
<b>Private Real Assets</b>	<b>9.50%</b>	<b>5.82%</b>	<b>7.92%</b>	<b>4.53%</b>	<b>6.63%</b>
Private Natural Resources	2.5-7.5%	8.89%	10.99%	6.25%	8.35%
Private Infrastructure	2.5-7.5%	5.88%	7.98%	4.90%	7.00%
Real Estate	2.5-7.5%	4.12%	6.22%	3.40%	5.50%
<b>Total</b>	<b>100.00%</b>	<b>5.23%</b>	<b>7.33%</b>	<b>3.82%</b>	<b>5.92%</b>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 6 - Defined Benefit Pension Plans (cont.)**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (cont.)**

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>WRS</u>
1% Decrease	6.00%
Net Pension Liability	\$36,002,354
Current Discount Rate	7.00%
Net Pension Liability	\$22,977,006
1% Increase	8.00%
Net Pension Liability	\$12,107,240

*Pension Plan Fiduciary Net Position* - Detailed information about each pension plan's fiduciary net position is available in the separately issued WRS financial reports.

**Payable to the Pension Plan**

The District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

**NOTE 7 - Long-Term Debt**

The following is a summary of changes in long-term debt of the District for the year. The payments of the long-term debt are to be funded by the General Fund.

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Current Portion of Debt</u>
<b>Governmental Activities</b>					
Accrued compensated					
absences	\$ 154,603	\$ 115,657	\$ 128,405	\$ 141,855	\$ 141,855
Net pension liability	25,090,191	0	2,270,657	22,819,534	0
Capital leases	135,610	963,020	333,039	765,591	186,636
	<u>\$ 25,380,404</u>	<u>\$ 1,078,677</u>	<u>\$ 2,732,101</u>	<u>\$ 23,726,980</u>	<u>\$ 328,491</u>
<b>Business-Type Activities</b>					
Accrued compensated					
absences	\$ 4,249	\$ 5,243	\$ 5,182	\$ 4,310	\$ 4,310
Net pension liability	191,345	0	33,873	157,472	0
	<u>\$ 195,594</u>	<u>\$ 5,243</u>	<u>\$ 39,055</u>	<u>\$ 161,782</u>	<u>\$ 4,310</u>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 8 - Leasing Arrangements**

The District has entered into various leases for transportation vehicles which provide for specified minimum lease payments. To comply with state statutes, all leases contain a non-appropriations clause which allows the lessee to cancel the lease in the event that resources are not available for future appropriation. Leases which transfer substantially all the benefits and risks incident to the ownership of the property have been capitalized. The future minimum rental commitments as of June 30, 2021 for continuing capital leases are as follows:

<u>Year Ended June 30,</u>	<u>Government Activities</u>
2022	\$ 199,639
2023	199,639
2024	199,639
2025	199,607
Total minimum lease payments	798,524
Less: Amounts representing interest	32,933
Present Value of Minimum Lease Payments	<u>\$ 765,591</u>
Cost of leased property	\$ 963,020
Accumulated depreciation	(40,412)
	<u>\$ 922,608</u>

**NOTE 9 - Due To/From Other Funds and Transfers**

At June 30, 2021, interfund receivables and payables were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 548,087	\$ 16,851
Nonmajor Funds	0	549,219
Enterprise Fund	19,596	1,613
	<u>\$ 567,683</u>	<u>\$ 567,683</u>

Interfund transfers for the year were as follows:

	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	\$ 1,165,000	\$ 0
Capital Projects Fund	0	1,165,000
	<u>\$ 1,165,000</u>	<u>\$ 1,165,000</u>

Due to/from balances represent non-interest-bearing amounts owed to or from programs for administrative services rendered and for payments made on behalf of the related funds. Amounts are generally due on demand.

Transfers to the capital projects fund were to fund future depreciation reserves.



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 10 - Contingencies**

1. Grants  
 The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2021.
  
2. Litigation  
 The District is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of District personnel, the settlement of such contingencies would not affect the financial position of the District at June 30, 2021. Should any claims prove to be a detriment to the District, they will be recorded as expenditure in the period in which a liability is realized.
  
3. Property and Liability Risk Management  
 Real and personal property owned by the District is subject to loss from natural disasters and actions of others. In addition, the District has the potential to be named as a responsible party in liability claims. The District purchases commercial insurance packages to offset such losses, should they occur.

**NOTE 11 - Construction Commitments**

The District has active construction projects as of June 30, 2021. At year end, the District's commitments with contractors/consultants are as follows:

Project	Contract Total	Spent to Date	Remaining Commitment
HVAC Upgrade Project	\$ 90,000	\$ 78,156	\$ 11,844
Grounds Maintenance Contract	57,000	19,000	38,000
Security Camera Upgrade	379,861	319,622	60,239
General Construction Project	29,993	29,993	0
Carpet Replacement	67,865	67,865	0
CHS Culinary Arts Project	38,275	0	38,275
CHS Culinary Arts Project	32,699	0	32,699
CHS Culinary Arts Project	15,800	10,690	5,110
CHS Culinary Arts Project	13,322	6,137	7,185
CHS Culinary Arts Project	4,390	0	4,390
Concrete Project	22,458	11,229	11,229
CHS LED Lighting Upgrade	44,950	0	44,950
District Panic Bar Project	150,000	0	150,000
Gym Floor Maintenance	15,200	9,120	6,080
CHS Roof Design	23,000	0	23,000
	<b>\$ 984,813</b>	<b>\$ 551,812</b>	<b>\$ 433,001</b>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 12 - Prior Period Adjustment**

The District Board revised the District's policy regulation during the year that made all student activity funds subject to presentation as special revenue funds in accordance with GASB Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 requires the District to shift reporting for school activity funds from fiduciary agency funds to a special revenue fund. The following table outlines the prior period adjustments necessary to implement this standard.

	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position, as previously reported	\$ 37,449,512	\$ 0	\$ (178,269)	\$ 37,271,243
Due to Student Groups	0	395,976	0	395,976
Adjustments:				
Agency Funds Reclassified to Special Revenue	395,976	(395,976)	0	0
Net position, June 30, 2020, Restated	<u>\$ 37,845,488</u>	<u>\$ 0</u>	<u>\$ (178,269)</u>	<u>\$ 37,667,219</u>

The impact on governmental and fiduciary balances is outlined in the following table:

	<u>Special Revenue Funds</u>	<u>Fiduciary Funds</u>
Fund Balance/Net Position, as previously reported	\$ (143,942)	\$ 0
Dues to Student Groups	0	395,976
Adjustments:		
Agency Funds Reclassified Special Revenue	395,976	(395,976)
Fund Balance/Net position, June 30, 2020, Restated	<u>\$ 252,034</u>	<u>\$ 0</u>

**NOTE 13 - Subsequent Events**

On March 11, 2020, a global pandemic was declared as a result of the COVID-19 virus. The pandemic developed rapidly in 2020. The true effects to the District as a result of the virus are not fully measurable as of November 19, 2021. The District has taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for its employees.

Various governments efforts that have been made to contain the virus have affected economic activity globally and will have a direct effect to the District at some point. Due to the broad reach of the virus and its penetrating economic effects across our state and country the District anticipates possible decreases in future revenues, investment earnings, and the ability to obtain grants and other financing in the near future. The effects are not possible to estimate or measure as of November 19, 2021.

Subsequent events were considered for disclosure through November 19, 2021, the date of this report.



## **Required Supplementary Information**

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**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>REVENUES</b>				
Local revenues	\$ 11,136,653	\$ 11,136,653	\$ 11,366,546	\$ 229,893
County sources	2,798,697	2,798,697	2,776,308	(22,389)
State sources	18,425,501	18,425,501	18,507,412	81,911
Other sources	1,500	1,500	88,931	87,431
<b>Total Revenues</b>	<b>32,362,351</b>	<b>32,362,351</b>	<b>32,739,197</b>	<b>376,846</b>
<b>EXPENDITURES</b>				
Instruction	20,027,957	20,287,943	19,776,370	511,573
Instructional support	4,162,320	4,162,320	3,980,231	182,089
General support	8,496,313	8,846,393	8,546,615	299,778
<b>Total Expenditures</b>	<b>32,686,590</b>	<b>33,296,656</b>	<b>32,303,216</b>	<b>993,440</b>
Excess of revenues over (under) expenditures	(324,239)	(934,305)	435,981	(616,594)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers (out)	(100,000)	(1,265,000)	(1,165,000)	100,000
<b>Total Other Financing Sources (Uses)</b>	<b>(100,000)</b>	<b>(1,265,000)</b>	<b>(1,165,000)</b>	<b>100,000</b>
Excess of revenues and other sources over (under) expenditures and other uses	(424,239)	(2,199,305)	(729,019)	(516,594)
<b>FUND BALANCE - JULY 1</b>	<b>4,920,880</b>	<b>4,920,880</b>	<b>4,920,880</b>	
<b>FUND BALANCE - JUNE 30</b>	<b>\$ 4,496,641</b>	<b>\$ 2,721,575</b>	<b>\$ 4,191,861</b>	



**PARK COUNTY SCHOOL DISTRICT NUMBER 6**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**WYOMING RETIREMENT SYSTEM**  
**PUBLIC EMPLOYEES PENSION PLAN**

Calendar Year\*

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
District's proportion of the net pension liability	1.11791%	1.11485%	1.09043%	1.06569%	1.05641%	1.07584%	1.07584%
District's proportionate share of the net pension liability	\$ 19,727,668	\$ 25,968,768	\$ 26,361,089	\$ 24,290,742	\$ 32,170,629	\$ 25,281,536	\$ 22,977,006
District's covered-employee payroll	\$ 19,109,690	\$ 19,443,811	\$ 19,441,291	\$ 18,930,708	\$ 18,357,444	\$ 18,878,101	\$ 19,102,258
District's proportionate share of the net pension liability as a percentage of its covered payroll	103.23%	133.56%	135.59%	128.31%	175.25%	133.92%	120.28%
Plan fiduciary net position as a percentage of the total pension liability	79.08%	73.40%	73.42%	76.35%	69.17%	76.83%	79.24%

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

Note: Information is not available before 2015

See Notes to Financial Statements



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
WYOMING RETIREMENT SYSTEM  
PUBLIC EMPLOYEES PENSION PLAN**

Fiscal Year

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually required contributions	\$ 3,155,499	\$ 3,293,733	\$ 3,198,183	\$ 3,068,687	\$ 3,216,498	\$ 3,407,701	\$ 3,573,173
Contributions in relation to the contractually required contribution	<u>3,155,499</u>	<u>3,293,733</u>	<u>3,198,183</u>	<u>3,068,687</u>	<u>3,216,498</u>	<u>3,407,701</u>	<u>3,573,173</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
District's covered payroll	\$ 19,883,422	\$ 19,817,888	\$ 19,242,978	\$ 18,463,821	\$ 18,746,168	\$ 19,146,982	\$ 19,444,529
Contributions as a percentage of covered employee payroll	15.87%	16.62%	16.62%	16.62%	17.16%	17.80%	18.38%

Note: Information is not available before 2015

See Notes to Financial Statements



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
NOTES TO REQUIRED SUPPLEMENTARY  
PENSION INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2021**

*Changes of benefit terms -*

There are no changes in benefit terms from the prior year.

*Changes in assumptions -*

There are no changes in assumptions from the prior year.

*Changes in the composition of the population -*

There are no changes in the composition of the population from the prior year.



## **Supplementary Information**

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**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2021**

	<u>Combined Special Revenue Funds</u>	<u>Major Maintenance Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments in treasury	\$ 651,183	\$ 1,701,160	\$ 2,352,343
Due from other governments	344,592	0	344,592
Total Assets	<u>\$ 995,775</u>	<u>\$ 1,701,160</u>	<u>\$ 2,696,935</u>
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 172,818	\$ 111,782	\$ 284,600
Due to other funds	549,219	0	549,219
Total Liabilities	<u>722,037</u>	<u>111,782</u>	<u>833,819</u>
<b>FUND BALANCE</b>			
Restricted for:			
Special revenue	273,738	0	273,738
Major maintenance	0	1,589,378	1,589,378
Total Fund Balance	<u>273,738</u>	<u>1,589,378</u>	<u>1,863,116</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 995,775</u>	<u>\$ 1,701,160</u>	<u>\$ 2,696,935</u>



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2021**

	<u>Combined Special Revenue Funds</u>	<u>Major Maintenance Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes			
Intergovernmental	\$ 2,805,071	\$ 1,621,445	\$ 4,426,516
Investment income	195	340	535
Other revenue	356,862	299,949	656,811
	<u>3,162,128</u>	<u>1,921,734</u>	<u>5,083,862</u>
<b>EXPENDITURES</b>			
Current			
Instruction			
Regular	210,552	0	210,552
Special	1,181,274	0	1,181,274
General support			
Administration	492,566	0	492,566
Operations and maintenance	901,343	0	901,343
Major maintenance	0	642,984	642,984
Other	354,689	0	354,689
	<u>3,140,424</u>	<u>642,984</u>	<u>3,783,408</u>
Excess of revenues over (under) expenditures	<u>21,704</u>	<u>1,278,750</u>	<u>1,300,454</u>
<b>FUND BALANCE - JULY 1</b>	<u>252,034</u>	<u>310,628</u>	<u>562,662</u>
<b>FUND BALANCE - JUNE 30</b>	<u><u>\$ 273,738</u></u>	<u><u>\$ 1,589,378</u></u>	<u><u>\$ 1,863,116</u></u>



PARK COUNTY SCHOOL DISTRICT NUMBER 6  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2021

Federal Grantor/ Pass-Through Grantor/ <u>Program Title</u>	Federal CFDA <u>Number</u>	Pass-Through Grantor's <u>Number</u>	<u>Expenditures</u>
<b>U.S. Department of Education</b>			
Passed through State of Wyoming Department of Education			
Title I Grants to Local Educational Agencies	84.010A	201506T1SUBR1900	\$ 142,671
Title I Grants to Local Educational Agencies	84.010A	211506T1SUBR2000	647,463
Total Title I Grants to Local Educational Agencies			<u>790,134</u>
<i>Special Education Cluster (IDEA)</i>			
Special Education - Grants to States	84.027A	* 191506SPED6111800	28,066
Special Education - Grants to States	84.027A	* 201506PSCHSUBR1900	326,877
			<u>354,943</u>
Special Education - Preschool Grants	84.173A	* 201506PSCHSUBR1900	1,638
Total Special Education Cluster (IDEA)			<u>356,581</u>
Strengthening Institutions Program	84.031A	201506T3LEA1900	6,644
Total Strengthening Institutions Program			<u>6,644</u>
<b>Career and Technical Education</b>			
Basic Grants to States	84.048A	201506PERKSUBS1900	9,990
Basic Grants to States	84.048A	211506PERKSUBS2000	30,631
Innovation and Modernization Grant Program	84.051F		24,590
Total Career and Technical Education - Basic Grants to States			<u>65,211</u>
Supporting Effective Instruction State Grants	84.367A	191506T2PA1800	93,263
Supporting Effective Instruction State Grants	84.367A	201506T2SUBR1900	167,777
Total Supporting Effective Instruction State Grants			<u>261,040</u>
Education Stabilization Fund	84.425D	201506ESSERSUB2000	510,183
Total Coronavirus Aid, Relief, and Economic Security			<u>510,183</u>
Total U.S. Department of Education			<u>1,989,793</u>
<b>U.S. Department of Agriculture</b>			
Passed through State of Wyoming Department of Education			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	*	34
National School Lunch Program	10.555	*	1,050
National School Lunch Program - USDA Commodities	10.555	*	45,575
Total Child Nutrition Cluster			<u>46,659</u>
SFSP Administrative Reimbursement	10.559		52,202
SFSP Meal Reimbursement	10.559		505,836
Fresh Fruit and Vegetable Program	10.582		68,325
Total U.S. Department of Agriculture			<u>673,022</u>
<b>Department of Homeland Security</b>			
Passed through State of Wyoming Department of Education			
Homeland Security Grant Program	97.067	20SHSPPARSSP20	80,000
Total Homeland Security Grants			<u>80,000</u>
Total Department of Homeland Security			<u>80,000</u>
<b>U.S. Department of Treasury</b>			
Passed through State of Wyoming Department of Education			
Coronavirus Relief Fund	21.019	125TECH20, 125NUTR20, 125PPE20	675,298
Cares Act PPE Distribution	21.019		240,614
Total U.S. Department of Treasury			<u>915,912</u>
Total Federal Financial Assistance			<u>\$ 3,658,727</u>

\* Indicates cluster program

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Park County School District Number 6 and is presented on the modified accrual basis of accounting, except for amounts presented in accordance with the requirements of Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations.

The District is eligible to apply a 10% de minimis indirect cost rate on certain grants that have been awarded. The District has evaluated the application of indirect costs on a grant-by-grant basis.

**NOTE B - COMMODITIES**

Nonmonetary assistance, such as food received from the United States Department of Agriculture, is reported as revenue at fair market value.

**NOTE C - SUBRECIPIENTS**

Park County School District Number 6 has no subrecipients that receive federal funds that are passed through the District.



# **Compliance Section**

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

To the Board of Trustees  
Park County School District Number 6  
Cody, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Park County School District Number 6, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Park County School District Number 6's basic financial statements, and have issued our report thereon dated November 19, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Park County School District Number 6's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Park County School District Number 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Park County School District Number 6's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Park County School District Number 6'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 or noncompliance or other matters that are required to be reported under Government Auditing Standards.



**Purpose of this Report**

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

*Fagnant, Lewis & Brinda, P.C.*

Fagnant, Lewis & Brinda, P.C.  
Lander, Wyoming  
November 19, 2021



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Board of Trustees  
Park County School District Number 6  
Cody, Wyoming

**Report on Compliance for Each Major Federal Program**

We have audited Park County School District Number 6's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Park County School District Number 6's major federal programs for the year ended June 30, 2021. Park County School District Number 6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Park County School District Number 6's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Park County School District Number 6's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Park County School District Number 6's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Park County School District Number 6 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.



## Report on Internal Control Over Compliance

Management of Park County School District Number 6 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Park County School District Number 6's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Park County School District Number 6's internal control over compliance.

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

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

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

*Fagnant, Lewis & Brinda, P.C.*

Fagnant, Lewis & Brinda, P.C.  
Lander, Wyoming  
November 19, 2021



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2021**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?  Yes  No

Significant deficiency identified not considered to be material weaknesses?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

Material weakness identified?  Yes  No

Significant deficiency identified not considered to be material weakness?  Yes  None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance.  Yes  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
84.425D	Education Stabilization Fund

*Cluster programs are noted with the \* above*

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

Auditee qualified as low-risk auditee?  Yes  No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None



**PARK COUNTY SCHOOL DISTRICT NUMBER 6  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2020**

**SIGNIFICANT DEFICIENCY**

**Finding 2020-001: Physical Inventory Count**

**Program Information:** CFDA #10.555 – National School Lunch Program (1) assists states in administering food services that provide healthful, nutritious meals to eligible children in public and non-profit private schools, residential child care institutions, and summer recreation programs; and (2) encourages the domestic consumption of nutritious agricultural commodities.

**Repeat Finding:** No

**Condition:** The District did not perform a count of food service inventory near the June 30, 2020 year end. In addition, District policy states that a physical inventory will be done every 12 months. A count was performed in September of 2020 and documentation was not adequate to back into the quantities or values at June 30, 2020.

**Criteria:** The performance of physical inventory counts on an annual basis is a compliance requirement of the program and District policy.

**Context:** See condition above

**Cause:** The District was offering a City-wide food program during the period of time when schools and several businesses were closed. This was an oversight by District personnel that were concerned with getting food out to students and individuals in the community.

**Effect:** Inventory was adjusted down to an immaterial amount.

**Sampling Method:** Not applicable

**Questioned Costs:** None

**Recommendation:** The District should perform inventory counts for food service as close to June 30, 2020 as possible. Count sheets should be retained as well as documentation supporting the values by item used for adjusting food service inventory. Inventory should be carried at the lower of cost or market value.

**Status:** Condition does not exist