

GOSHEN COUNTY SCHOOL DISTRICT #1

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2025

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS <i>(Required Supplementary Information)</i>	4-9
PRIMARY GOVERNMENT FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	10-11
Statement of Activities	12-13
Fund Financial Statements:	
Governmental Funds Financial Statements:	
Balance Sheet	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Proprietary Fund Financial Statements:	
Statement of Net Position	18
Statement of Revenues, Expenses, and Changes in Fund Net Position	19
Statement of Cash Flows	20
Notes to Financial Statements	21-34
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund	35-36
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Grants Fund	37
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Major Maintenance Fund	38
Schedule of the District's Proportionate Share of the Net Pension Liability	39
Schedule of the District's Contributions	40
Notes to Required Supplementary Information	41-42
OTHER SUPPLEMENTARY INFORMATION	
Combining Fund Financial Statements - Nonmajor Governmental Funds:	
Combining Balance Sheet	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	44
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards	45-46
Notes to Schedule of Expenditures of Federal Awards	47

Continued

TABLE OF CONTENTS, *Continued*

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 <i>GOVERNMENT AUDITING STANDARDS</i>	48-49
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	50-52
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	53-54
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	55
EXHIBIT I: CORRECTIVE ACTION PLAN	



MHP Assurance Services, LLP

INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and Board of Trustees
Goshen County School District #1
Torrington, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Goshen County School District #1 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 9; the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - General Fund on pages 35 and 36; the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Grants Fund on page 37; the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis) - Major Maintenance Fund on page 38; the Schedule of the District's Proportionate Share of the Net Pension Liability on page 39; the Schedule of the District's Contributions on page 40; and the Notes to Required Supplementary Information on pages 41 and 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Nonmajor Governmental Fund Financial Statements and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

MHP Assurance Services, LLP

Cheyenne, Wyoming
December 4, 2025

GOSHEN COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Goshen County School District #1 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements, and various supplementary information, which follow this section.

Financial Highlights

The District's total combined net position was \$40,217,797 at June 30, 2025, which compares to \$39,240,053 at the beginning of the fiscal year, for an increase of \$977,744 or 2.5%.

The District's revenues generated in taxes and other revenues for governmental and business-type activities totaled \$44,034,193. For the District's governmental and business-type activities, total expenses were \$43,056,449.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's primary government financial statements. The District's primary government financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the primary government financial statements.

Government-wide financial statements: Government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, fluctuations from year to year need to be reviewed in light of the timing of funding.

The Statement of Activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has one business-type activity: the Food Service Fund.

GOSHEN COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. The District's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Such information may be useful in evaluating a government's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds are reconciled in the financial statements. The General Fund, the Grants Fund, and the Major Maintenance Fund are considered major. The other governmental funds of the District, consisting of the Capital Projects Fund, the Recreation Fund, the Student Activity Fund, and the Boards of Cooperative Educational Services (BOCES) Fund, are presented as nonmajor governmental funds in the fund financial statements.

Proprietary funds: Proprietary funds are used to account for services for which the District charges participants a fee. These funds, like the government-wide statements, provide both long- and short-term financial information. The Food Service Fund is in this category for the District, presented under business-type activities.

Notes to the financial statements: The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Other information: In addition to the primary government financial statements and accompanying notes, this report also presents certain required supplementary information and other supplementary information that further explains and supports the information in the financial statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the District as a Whole

The Statement of Net Position provides the perspective of the District as a whole. The following provides a summary of the District's net position at June 30:

Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Total District	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 31,499,730	\$ 30,509,858	\$ 80,451	\$ 112,262	\$ 31,580,181	\$ 30,622,120
Capital assets	43,552,976	44,850,144	127,540	135,351	43,680,516	44,985,495
Total assets	\$ 75,052,706	\$ 75,360,002	\$ 207,991	\$ 247,613	\$ 75,260,697	\$ 75,607,615
Deferred outflows of resources	\$ 2,544,663	\$ 2,225,255	\$ -	\$ -	\$ 2,544,663	\$ 2,225,255
Current liabilities	\$ 4,691,082	\$ 4,966,501	\$ 97,725	\$ 85,702	\$ 4,788,807	\$ 5,052,203
Long-term liabilities	20,739,405	22,806,941	-	-	20,739,405	22,806,941
Total liabilities	\$ 25,430,487	\$ 27,773,442	\$ 97,725	\$ 85,702	\$ 25,528,212	\$ 27,859,144
Deferred inflows of resources	\$ 12,059,351	\$ 10,733,673	\$ -	\$ -	\$ 12,059,351	\$ 10,733,673
Net position:						
Net investment in capital assets	\$ 42,380,685	\$ 44,850,144	\$ 127,540	\$ 135,351	\$ 42,508,225	\$ 44,985,495
Restricted	11,533,133	9,915,589	-	-	11,533,133	9,915,589
Unrestricted	(13,806,287)	(15,687,591)	(17,274)	26,560	(13,823,561)	(15,661,031)
Total net position	\$ 40,107,531	\$ 39,078,142	\$ 110,266	\$ 161,911	\$ 40,217,797	\$ 39,240,053

The net investment in capital assets is \$42,508,225, which is the net book value of capital assets (e.g., land, buildings, equipment) of \$43,680,516, less any related debt used to acquire those assets that is still outstanding and any accounts payable related to those assets of \$1,172,291. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

An additional portion of the District's net position of \$11,533,133 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is a deficit of (\$13,823,561). Unrestricted net position represents balances received from operational activities that have not been restricted by parties external to the District, such as granting agencies. This includes funds that have been designated by the governing board for specific purposes as well as amounts that have been contractually committed for goods and services but have not yet been received. The unrestricted deficit is impacted by long-term commitments, like the net pension expense, which is not offset by current resources.

The District's total net position increased by \$977,744 during the year ended June 30, 2025. The total cost of all governmental and business-type activities this year was \$41,731,900 and \$1,324,549, respectively. The amount paid by the State Foundation Program was \$16,140,344 or 37% of governmental activities revenues.

GOSHEN COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in the District's Net Position

	Governmental Activities		Business-Type Activities		Total District	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 742,178	\$ 747,410	\$ 34,713	\$ 236,957	\$ 776,891	\$ 984,367
Operating grants and contributions	5,031,791	5,956,990	703,191	583,132	5,734,982	6,540,122
Capital grants and contributions	234,079	135,301	-	-	234,079	135,301
General revenues:						
Taxes	11,922,443	11,261,039	-	-	11,922,443	11,261,039
Governmental aid	24,421,572	23,043,326	-	-	24,421,572	23,043,326
Miscellaneous	944,226	2,258,025	-	-	944,226	2,258,025
Total revenues	43,296,289	43,402,091	737,904	820,089	44,034,193	44,222,180
Expenses:						
Business services	543,108	2,732,846	-	-	543,108	2,732,846
Central support services	1,690,896	2,501,080	-	-	1,690,896	2,501,080
Facilities, acquisitions, and construction services	732,156	264,075	-	-	732,156	264,075
Food Service Fund	1,530	-	1,324,549	1,063,461	1,326,079	1,063,461
General administration services	213,532	493,995	-	-	213,532	493,995
Instructional staff services	2,210,891	2,259,572	-	-	2,210,891	2,259,572
Operation and maintenance of plant services	6,318,922	6,415,967	-	-	6,318,922	6,415,967
Pupil services	2,844,351	2,109,940	-	-	2,844,351	2,109,940
Pupil transportation services	2,037,120	1,440,782	-	-	2,037,120	1,440,782
Regular instruction	16,060,834	15,349,411	-	-	16,060,834	15,349,411
School administration services	2,436,278	504,316	-	-	2,436,278	504,316
Special education instruction	5,565,489	4,727,771	-	-	5,565,489	4,727,771
Vocational education instruction	1,076,793	1,089,481	-	-	1,076,793	1,089,481
Total expenses	41,731,900	39,889,236	1,324,549	1,063,461	43,056,449	40,952,697
Change in net position before transfers	1,564,389	3,512,855	(586,645)	(243,372)	977,744	3,269,483
Transfers	(535,000)	(50,000)	535,000	50,000	-	-
Change in net position after transfers	1,029,389	3,462,855	(51,645)	(193,372)	977,744	3,269,483
Net position, beginning of year	39,078,142	35,615,287	161,911	355,283	39,240,053	35,970,570
Net position, end of year	\$ 40,107,531	\$ 39,078,142	\$ 110,266	\$ 161,911	\$ 40,217,797	\$ 39,240,053

Financial Analysis of the District's Funds

Governmental funds:

Revenues: General Fund revenues increased from \$32,088,182 in fiscal year 2024 to \$34,234,716 in fiscal year 2025. There was an increase of \$642,739 in funding from local taxes, and an increase of \$1,433,340 from intergovernmental revenues primarily related to an increase in State Foundation Program revenues compared to the prior year. General Fund revenues were \$274,366 less than budget.

GOSHEN COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenditures: The total expenditures of the General Fund were \$33,359,160 in fiscal year 2025 compared to \$32,594,353 in fiscal year 2024. The majority of the increase in expenditures is due to payroll increases. General Fund expenditures were \$602,737 less than budget.

Proprietary fund: The Food Service Fund operated at a deficit despite having increased meal prices in an effort to offset the deficit. This is due to an increase in the cost per meal served. A large portion of this is the cost of personnel. In order to offset increased expenses, it was necessary to transfer funds from the General Fund, which was \$535,000 for the year ended June 30, 2025.

Capital assets: The District's investment in capital assets for its governmental activities as of June 30, 2025 amounts to \$43,522,976 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, equipment and vehicles (which include buses).

District's Capital Assets (Governmental Activities) (Net of Accumulated Depreciation)

	2025	2024
Land	\$ 408,251	\$ 408,251
Construction in progress	480,893	-
Buildings	41,323,068	43,533,603
Equipment	1,098,701	551,522
Vehicles	242,063	356,768
	<u>\$ 43,552,976</u>	<u>\$ 44,850,144</u>

District's Capital Assets (Business-Type Activities) (Net of Accumulated Depreciation)

	2025	2024
Equipment	<u>\$ 127,540</u>	<u>\$ 135,351</u>

Additional information on the District's capital assets can be found in Note 3 to the financial statements.

Long-term debt: The District incurred additional long-term debt for accrued compensated absences in the amount of \$533,633 during fiscal year 2025. Long-term debt for accrued compensated absences was reduced by \$163,310. Additional information on the District's long-term debt can be found in Note 4 to the financial statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

Factors Affecting the District's Future

The continued uncertainty of state funding; the District's varying enrollment, particularly as it relates to funding; the culmination of Elementary and Secondary School Emergency Relief dollars; and the School Facilities Division's involvement in major maintenance funding will play a major role in the amount of revenue received by the District. The District must continue to be cautious in all decisions affecting its financial position.

Requests for Information

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Marcy Cates, Business Manager, 626 West 25th Avenue, Torrington, Wyoming 82240.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

GOSHEN COUNTY SCHOOL DISTRICT #1**STATEMENT OF NET POSITION****June 30, 2025**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash	\$ 20,275,053	\$ 1,262	\$ 20,276,315
Cash held by County Treasurer	287,586	-	287,586
Property taxes receivable	9,044,186	-	9,044,186
Accounts receivable, granting agencies	605,870	-	605,870
Accounts receivable	34,765	23,688	58,453
Inventory	-	45,190	45,190
Prepaid items	1,252,270	10,311	1,262,581
Total current assets	31,499,730	80,451	31,580,181
Capital Assets			
Land and construction in progress	889,144	-	889,144
Depreciable buildings, vehicles and equipment, net of accumulated depreciation	42,663,832	127,540	42,791,372
Total capital assets	43,552,976	127,540	43,680,516
Total assets	75,052,706	207,991	75,260,697
DEFERRED OUTFLOWS OF RESOURCES			
Pension-Related Deferred Outflows	2,544,663	-	2,544,663

Continued

GOSHEN COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION, *Continued*
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 485,095	\$ -	\$ 485,095
Accrued salaries payable	2,719,152	47,106	2,766,258
Accrued employee benefits payable	1,323,525	27,519	1,351,044
Unearned revenue	-	23,100	23,100
Accrued compensated absences, due within one year	163,310	-	163,310
Total current liabilities	4,691,082	97,725	4,788,807
Long-Term Liabilities			
Accrued compensated absences	433,994	-	433,994
Net pension liability	20,305,411	-	20,305,411
Total long-term liabilities	20,739,405	-	20,739,405
Total liabilities	25,430,487	97,725	25,528,212
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Tax Revenue	9,030,822	-	9,030,822
Pension-Related Deferred Inflows	3,028,529	-	3,028,529
Total deferred inflows of resources	12,059,351	-	12,059,351
NET POSITION			
Net Investment in Capital Assets	42,380,685	127,540	42,508,225
Restricted for:			
Maintenance	11,338,097	-	11,338,097
Recreation projects and other purposes	178,022	-	178,022
BOCES	17,014	-	17,014
Unrestricted	(13,806,287)	(17,274)	(13,823,561)
Total net position	\$ 40,107,531	\$ 110,266	\$ 40,217,797

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES Year Ended June 30, 2025

	Program Revenues, Net			
	Charges for	Operating	Capital	
	Services	Grants and	Grants and	
	Expenses	Contributions	Contributions	
FUNCTIONS/PROGRAMS				
Governmental Activities				
Instruction:				
Regular instruction	\$ 16,060,834	\$ 742,178	2,172,722	\$ -
Special education instruction	5,565,489	-	678,880	-
Vocational education instruction	1,076,793	-	55,012	-
Support services:				
Business services	543,108	-	2,445	-
Central support services	1,690,896	-	426,480	-
Facilities, acquisitions, and construction services	732,156	-	-	234,079
Food service	1,530	-	1,530	-
General administration services	213,532	-	79,070	-
Instructional staff services	2,210,891	-	1,323,595	-
Operation and maintenance of plant services	6,318,922	-	15,036	-
Pupil services	2,844,351	-	140,551	-
Pupil transportation services	2,037,120	-	3,060	-
School administration services	2,436,278	-	133,410	-
Total governmental activities	41,731,900	742,178	5,031,791	234,079
Business-Type Activities				
Food Service Fund	1,324,549	34,713	703,191	-
Total	\$ 43,056,449	\$ 776,891	\$ 5,734,982	\$ 234,079
General Revenues				
Taxes:				
Property taxes, levied for general purposes				
Property taxes, levied for specific purposes				
Federal, state, and local aid not restricted to specific purposes:				
State Foundation Program				
Other state sources				
County				
Unrestricted investment earnings				
Unrestricted miscellaneous revenue				
Total general revenues				
Transfers				
Total general revenues and transfers				
Change in net position				
Net Position, beginning of year				
Net Position, end of year				

See Notes to Financial Statements.

Revenues and Changes in Net Position			
	Governmental	Business-Type	
	Activities	Activities	Total
\$	(13,145,934)	\$ -	\$ (13,145,934)
	(4,886,609)	-	(4,886,609)
	(1,021,781)	-	(1,021,781)
	(540,663)	-	(540,663)
	(1,264,416)	-	(1,264,416)
	(498,077)	-	(498,077)
	-	-	-
	(134,462)	-	(134,462)
	(887,296)	-	(887,296)
	(6,303,886)	-	(6,303,886)
	(2,703,800)	-	(2,703,800)
	(2,034,060)	-	(2,034,060)
	(2,302,868)	-	(2,302,868)
	(35,723,852)	-	(35,723,852)
	-	(586,645)	(586,645)
	(35,723,852)	(586,645)	(36,310,497)
	11,454,292	-	11,454,292
	468,151	-	468,151
	16,140,344	-	16,140,344
	8,274,976	-	8,274,976
	6,252	-	6,252
	829,687	-	829,687
	114,539	-	114,539
	37,288,241	-	37,288,241
	(535,000)	535,000	-
	36,753,241	535,000	37,288,241
	1,029,389	(51,645)	977,744
	39,078,142	161,911	39,240,053
\$	40,107,531	\$ 110,266	\$ 40,217,797

GOSHEN COUNTY SCHOOL DISTRICT #1

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2025

	General Fund	Grants Fund	Major Maintenance Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	\$ 7,486,310	\$ 3,900	\$ 11,637,399	\$ 1,147,444	\$ 20,275,053
Cash Held by County Treasurer	280,632	-	-	6,954	287,586
Property Taxes Receivable	8,624,741	-	-	419,445	9,044,186
Accounts Receivable, granting agencies	-	605,870	-	-	605,870
Accounts Receivable	34,765	-	-	-	34,765
Due From Other Funds	120,457	-	-	-	120,457
Prepaid Items	1,236,792	10,328	-	5,150	1,252,270
Total assets	\$ 17,783,697	\$ 620,098	\$ 11,637,399	\$ 1,578,993	\$ 31,620,187
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 116,115	\$ 25,369	\$ 299,302	44,309	\$ 485,095
Accrued salaries payable	2,462,238	256,914	-	-	2,719,152
Accrued employee benefits payable	1,199,721	123,804	-	-	1,323,525
Due to other funds	-	120,457	-	-	120,457
Total liabilities	3,778,074	526,544	299,302	44,309	4,648,229
Deferred Inflows of Resources					
Unavailable revenue	8,611,377	-	-	419,445	9,030,822
Fund Balances					
Nonspendable:					
Prepaid items	1,236,792	10,328	-	5,150	1,252,270
Restricted for:					
Goshen County Recreation Board projects	-	-	-	178,022	178,022
Grants	-	83,226	-	-	83,226
Major maintenance projects	-	-	11,338,097	-	11,338,097
BOCES	-	-	-	17,014	17,014
Committed to:					
Current capital projects	-	-	-	414,298	414,298
Assigned:					
Encumbrances	54,189	-	-	-	54,189
Student activities	-	-	-	500,755	500,755
Unassigned	4,103,265	-	-	-	4,103,265
Total fund balances	5,394,246	93,554	11,338,097	1,115,239	17,941,136
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,783,697	\$ 620,098	\$ 11,637,399	\$ 1,578,993	\$ 31,620,187

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION**

June 30, 2025

Total fund balances - governmental funds	\$ 17,941,136
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	43,552,976
Liabilities (compensated absences and net pension liability) are not due and payable from current financial resources and, therefore, are not reported in the funds.	(20,902,715)
Pension-related outflows and inflows do not provide current financial resources and, therefore, are not reported in the funds.	<u>(483,866)</u>
Net position of governmental activities	<u>\$ 40,107,531</u>

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Year Ended June 30, 2025

	General Fund	Grants Fund	Major Maintenance Fund	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	\$ 11,454,292	\$ -	\$ -	\$ 468,151	\$ 11,922,443
Intergovernmental revenues	22,372,291	5,031,791	2,049,281	234,079	29,687,442
Charges for services	-	-	-	742,178	742,178
Investment earnings	348,494	-	457,478	23,715	829,687
Miscellaneous	59,639	-	-	-	59,639
Total revenues	34,234,716	5,031,791	2,506,759	1,468,123	43,241,389
Expenditures					
Current:					
Instruction:					
Regular instruction	13,591,055	1,531,499	-	985,763	16,108,317
Special education instruction	4,921,721	678,880	-	-	5,600,601
Vocational education instruction	1,029,449	55,012	-	-	1,084,461
Total instruction	19,542,225	2,265,391	-	985,763	22,793,379
Support services:					
Business services	542,905	2,445	-	-	545,350
Central support services	1,273,523	426,480	-	-	1,700,003
Facilities, acquisitions, and construction services	57,906	-	173,817	494,683	726,406
Food Service	-	1,530	-	-	1,530
General administration services	126,683	79,070	-	-	205,753
Instructional staff services	896,190	1,323,595	-	-	2,219,785
Operation and maintenance of plant services	3,906,214	15,036	-	11,884	3,933,134
Pupil services	2,723,572	140,551	-	-	2,864,123
Pupil transportation services	1,938,842	3,060	-	-	1,941,902
School administration services	2,320,615	133,410	-	-	2,454,025
Total support services	13,786,450	2,125,177	173,817	506,567	16,592,011
Capital outlay	30,485	681,317	534,093	34,994	1,280,889
Total expenditures	33,359,160	5,071,885	707,910	1,527,324	40,666,279
Excess (deficiency) of revenues over expenditures	875,556	(40,094)	1,798,849	(59,201)	2,575,110
Other Financing Sources (Uses)					
Proceeds from insurance	54,900	-	-	-	54,900
Operating transfers (out)	(535,000)	-	-	-	(535,000)
Total other financing (uses)	(480,100)	-	-	-	(480,100)
Net change in fund balances	395,456	(40,094)	1,798,849	(59,201)	2,095,010
Fund Balances, beginning of year	4,998,790	133,648	9,539,248	1,174,440	15,846,126
Fund Balances, end of year	\$ 5,394,246	\$ 93,554	\$ 11,338,097	\$ 1,115,239	\$ 17,941,136

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ 2,095,010
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(1,297,168)
Long-term liabilities for compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.	(370,323)
The change in the defined benefit net pension liability, pension-related outflows, and pension-related inflows are not reported in the governmental funds. This is the net effect of the change in these balances in the Statement of Net Position.	<u>601,870</u>
Change in net position of governmental activities	<u><u>\$ 1,029,389</u></u>

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2025

	<u>Enterprise Fund</u> <u>Food Service</u> <u>Fund</u>
ASSETS	
Current Assets	
Cash	\$ 1,262
Accounts receivable	23,688
Inventory	45,190
Prepaid items	<u>10,311</u>
Total current assets	<u>80,451</u>
Capital Assets	
Property and equipment, net of accumulated depreciation	<u>127,540</u>
Total assets	<u>207,991</u>
LIABILITIES	
Current Liabilities	
Accrued salaries payable	47,106
Accrued employee benefits payable	27,519
Unearned revenue	<u>23,100</u>
Total current liabilities	<u>97,725</u>
NET POSITION	
Net Investment in Capital Assets	127,540
Unrestricted	<u>(17,274)</u>
Total net position	<u>\$ 110,266</u>

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND
NET POSITION - PROPRIETARY FUND**

Year Ended June 30, 2025

	<u>Enterprise Fund</u> <u>Food Service</u> <u>Fund</u>
Operating Revenues	
Charges for services	\$ 34,713
Total operating revenues	<u>34,713</u>
Operating Expenses	
Cost of commodities	68,860
Depreciation	16,127
Direct food costs	609,984
Employee benefits	193,209
Other	10,950
Purchased services	4,679
Salaries	358,660
Supplies	62,080
Total operating expenses	<u>1,324,549</u>
Net operating (loss)	<u>(1,289,836)</u>
Nonoperating Revenues	
Federal and state operating grants	611,844
USDA commodity subsidy	78,902
Contributions and donations	12,445
Total nonoperating revenues	<u>703,191</u>
(Loss) before transfers	(586,645)
Transfers In	<u>535,000</u>
Change in net position	(51,645)
Net Position, beginning of year	<u>161,911</u>
Net Position, end of year	<u><u>\$ 110,266</u></u>

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

STATEMENT OF CASH FLOWS - PROPRIETARY FUND Year Ended June 30, 2025

	Enterprise Fund Food Service Fund
Cash Flows From Operating Activities	
Cash received from customers	\$ 67,267
Cash payments to suppliers for services	(686,381)
Cash payments to employees for services	(535,933)
Net cash (used in) operating activities	(1,155,047)
Cash Flows From Noncapital Financing Activities	
Reimbursements from Federal and state governments	611,844
Intrafund settlement of operating activities	535,000
Net cash provided by noncapital financing activities	1,146,844
Cash Flows From Capital Financing Activities	
Acquisition of capital assets	(8,316)
Net cash (used in) capital financing activities	(8,316)
Net change in cash	(16,519)
Cash	
Beginning of year	17,781
End of year	<u>\$ 1,262</u>
Reconciliation of Net Operating (Loss) to Net Cash (Used in) Operating Activities	
Net operating (loss)	\$ (1,289,836)
Adjustments to reconcile net operating (loss) to net cash (used in) operating activities:	
USDA commodity subsidy	78,902
Contributions/donations	12,445
Depreciation	16,127
Changes in assets and liabilities:	
Decrease (increase) in:	
Accounts receivable	23,092
Inventory	(4,810)
Prepaid items	(2,990)
(Decrease) increase in:	
Accounts payable	(930)
Accrued salaries payable	9,288
Accrued employee benefits payable	6,648
Unearned revenue	(2,983)
Net cash (used in) operating activities	\$ (1,155,047)

See Notes to Financial Statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies

Financial reporting entity: The Board of Trustees (the Board) is the level of government that has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Goshen County School District #1 (the District). The Board receives funding from local, state, and Federal government sources and must comply with the accompanying requirements of these funding source entities. However, the District serves as the nucleus of the reporting entity under the provisions of the Governmental Accounting Standards Board (GASB) for its primary government financial statements. The District is not included in any other governmental “reporting entity” as defined by the GASB.

As required by accounting principles generally accepted in the United States of America, these financial statements present the District and its component unit, for which the District is considered to be financially accountable. Although legally separate units, blended component units are, in substance, part of the District’s operations.

Blended component unit: The Goshen County Recreation Board (GCRB) provides funding to the Goshen County community for recreation projects, which may include facilities, construction, programs, and equipment. The Board appoints three of the five members of GCRB’s governing board. GCRB is fiscally dependent on the District because the District’s Board must approve annually a one-mill levy that provides GCRB’s funding. The component unit has a June 30 year-end and is presented in the accompanying financial statements as the Recreation Fund. No separate individual component unit financial statements are available for GCRB.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *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 Activities demonstrates the degree to which the *direct expenses* of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies, *Continued*

Measurement focus, basis of accounting, and financial statement presentation: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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 they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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.

Property taxes, grant revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are charges to students and faculty for food services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major governmental funds:

- The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The *Grants Fund* accounts for Federal, state and local grants and other resources whose use is restricted for a particular purpose.
- The *Major Maintenance Fund* accounts for the resources accumulated and payments made for major maintenance projects. This fund was established by the District in accordance with Wyoming State Statutes and is funded by the School Facilities Department and the General Fund.

The District reports the following proprietary fund:

- The *Food Service Fund* accounts for the activities of the District's food service program.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies, *Continued*

Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position or fund balance consist of the following:

Cash: Cash consists of demand deposit accounts, money market accounts, and petty cash.

Cash held by County Treasurer: Cash with County Treasurer in the General Fund and other governmental funds represents property taxes collected and held by the Goshen County Treasurer, which have not been remitted to the District as of June 30.

Accounts receivable: The District considers all accounts receivable to be fully collectible at June 30, 2025, and therefore, no allowance for doubtful accounts is deemed necessary.

Interfund balances: On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as due from/to other funds. These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, if applicable.

Property taxes: Property tax valuations are split into two categories: non-mineral and mineral. Non-mineral property is valued and assessed annually on January 1. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. Goshen County bills and collects its own property taxes as well as those for all municipalities and political subdivisions within Goshen County, including the District. If not paid, property taxes attach as an enforceable lien on property as of May 11. The collection of mineral-based ad valorem taxes was significantly modified during the 2021 and 2022 Legislative Sessions. Mineral ad valorem taxes are collected by the State of Wyoming and then distributed to Goshen County, which, in turn, distributes funds to the District. Beginning with 2022 mineral production, the payment of taxes will be due on or before the 25th day of the third month following the month of production. District property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year-end to be used to pay liabilities of the current period on the fund financial statements.

Property taxes that are not current receivables are offset by deferred inflows of resources on the fund financials but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred. Property taxes receivable of \$8,624,741 in the General Fund, \$279,630 in the Recreation Fund and \$139,815 in the Boards of Cooperative Educational Services (BOCES) Fund, totaling \$9,044,186 for fiscal year 2025, are reported on the fund financial statements and the government-wide financial statements, and are included in unavailable revenue on both statements as these revenues may not be used until fiscal year 2026.

The District is required by Wyoming State Statutes to levy taxes of 25 mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. In addition, a county-wide school property tax of six mills is levied; one-half mill is levied for BOCES, and one mill is levied for a recreation district tax. The combined tax related to finance general school services other than the payment of principal and interest on long-term debt for the year ended June 30, 2025 was 32.5 mills.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies, *Continued*

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. Inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold.

Capital assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or the estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition values at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40-50 years
Building improvements	5-30 years
Vehicles	5-15 years
Machinery and equipment	3-20 years

Impairments: The District evaluates prominent events or changes in circumstances that affect capital assets to determine whether impairment of a capital asset has occurred. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The District will consider an asset impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside of the normal life cycle of the capital asset. The District will recognize an impairment loss when the District considers a capital asset impaired and will recognize the capital asset at the lower of the carrying value or fair value.

Compensated absences: It is the District's policy to permit certified and classified employees to accumulate earned but unused personal and sick pay benefits. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured (for example, as a result of employee resignations and retirements).

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

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies, *Continued*

Unemployment compensation: The District does not carry unemployment insurance but pays the cost of actual claims incurred. The District paid unemployment claims in the amount of \$6,622 for the year ended June 30, 2025.

Estimates: The preparation of the primary government financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund balance: The District reports fund balance in the governmental fund financial statements in one of the following five categories:

- *Nonspendable fund balance* represents amounts that are not in spendable form for which the District includes prepaid amounts;
- *Restricted fund balance* represents amounts constrained to a specific purpose by their providers through constitutional provisions or by enabling legislation;
- *Committed fund balance* represents amounts constrained to a specific purpose by the Board through formal motion. Amounts reported as committed cannot be used for any other purpose unless the Board makes another formal motion;
- *Assigned fund balance* represents amounts constrained by the District's intent to use them for a specific purpose. Although the District does not have a policy specific to assigned fund balance, other District policies authorize certain individuals to enter into purchase orders that may result in encumbrances at year-end; and
- *Unassigned fund balance* represents amounts that have not been restricted, committed or assigned to a specific purpose.

The District's fund balance policy states that when both restricted and unrestricted (committed, assigned, and unassigned) resources are available for a given expenditure, the District will consider restricted funds to have been used first. It is also the District's policy that unrestricted funds will be used in the following order: committed, assigned, and unassigned.

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The District's encumbrances have been included within fund balance and are as follows:

General Fund (assigned)	\$	54,189
Grants Fund (restricted)		4,254
Activity Fund (restricted)		<u>6,956</u>
	\$	<u><u>65,399</u></u>

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies, *Continued*

Net position: Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position reported as net investment in capital assets 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 and any accounts payable related to those assets. Net position is reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources as needed.

Recent pronouncements:

Adopted: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for fiscal years beginning after December 15, 2023 and all reporting periods thereafter. The District implemented GASB Statement No. 101 for the fiscal year ended June 30, 2025. The statement did not have a material impact on the District's financial statements, with the biggest impact being a change in the percentage of the total liability being considered current and due within one year.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement defines concentrations and constraints, notes that concentrations and constraints may limit a government's ability to acquire resources or control spending and requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. However, management has determined that no events associated with a concentration or constraint meet the criteria outlined above.

Upcoming: In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. In order to enhance the effectiveness in providing information that is essential for decision-making and assessing a government's accountability, this statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The District is currently evaluating the impact that the provisions of this statement will have on its financial statements.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Operations and Significant Accounting Policies, *Continued*

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures, including lease assets, intangible right-to-use assets, and subscription assets. Other intangible assets are also required to be disclosed separately by major class. This statement also requires additional disclosures for capital assets held for sale. A capital asset is held for sale if (a) the government has decided to pursue the sale of the capital asset, and (b) it is probable that the sale will be finalized within one year of the financial statements date. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this statement are effective for fiscal years beginning after June 15, 2025. The District is currently evaluating the impact that the provisions of this statement will have on its financial statements.

Note 2. Cash

Cash as of June 30, 2025 is classified in the accompanying financial statements, as follows:

Statement of Net Position:

Cash:

Deposits with financial institutions	<u>\$ 20,276,315</u>
--------------------------------------	----------------------

Investments authorized by the District's investment policy: The District follows the guidelines set forth in Wyoming State Statute 9-4-831 as it relates to the investment of public funds. The District's investment policy requires investments to comply with Wyoming State Statutes, which generally allow the District to invest in U.S., state, and local government securities and accounts of any bank or savings association that is Federally insured. Stocks and bonds of private corporations as well as reverse repurchase agreements are prohibited investments for the District. All investments made during the year were made within these statutory limits. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

Custodial credit risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Certain deposits held in District bank accounts are insured by Federal depository insurance or collateralized with securities held by the custodian bank, Federal Reserve receipts in the name of the District and the financial institution, or other obligations issued or guaranteed by a Federal government agency in the District's name. As of June 30, 2025, the primary government had bank balances on deposit of \$21,478,977. These deposits were fully collateralized at June 30, 2025.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets and Commitments

A summary of changes in capital assets follows:

	Beginning Balance	Additions/ Transfers	Deletions/ Transfers	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 408,251	\$ -	\$ -	\$ 408,251
Construction in progress	-	480,893	-	480,893
Total capital assets not being depreciated	408,251	480,893	-	889,144
Capital assets being depreciated:				
Buildings and improvements	76,366,043	53,200	49,759	76,369,484
Equipment	2,128,554	746,796	18,791	2,856,559
Vehicles	6,885,619	-	64,759	6,820,860
Total capital assets being depreciated	85,380,216	799,996	133,309	86,046,903
Less accumulated depreciation for:				
Buildings and improvements	32,832,440	2,257,985	44,009	35,046,416
Equipment	1,577,032	199,617	18,791	1,757,858
Vehicles	6,528,851	114,705	64,759	6,578,797
Total accumulated depreciation	40,938,323	2,572,307	127,559	43,383,071
Total capital assets, net of depreciation	44,441,893	(1,772,311)	5,750	42,663,832
Governmental activities, capital assets, net	\$ 44,850,144	\$ (1,291,418)	\$ 5,750	\$ 43,552,976
Business-type activities:				
Capital assets being depreciated:				
Equipment	\$ 453,215	\$ 8,316	\$ 6,773	\$ 454,758
Less accumulated depreciation	317,864	16,127	6,773	327,218
Business-type activities, capital assets, net of depreciation	\$ 135,351	\$ (7,811)	\$ -	\$ 127,540

Depreciation expenses were charged to functions/programs of the District, as follows:

Governmental activities:	
Instruction:	
Regular instruction	\$ 57,642
Support services:	
General administration services	8,199
Operation and maintenance of plant services	2,400,540
Pupil transportation services	105,926
Total depreciation expenses, governmental activities	\$ 2,572,307
Business-type activities:	
Food Service Fund	\$ 16,127

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets and Commitments, *Continued*

Construction commitments: Construction in progress represents construction related to improvements at various schools. Actual signed and unexpended contracts for these and other miscellaneous projects at June 30, 2025 were \$2,550,766 and will be funded by the Major Maintenance Fund.

Note 4. Accrued Compensated Absences

Accrued compensated absences at June 30, 2025 comprise the following:

Certified employees may accumulate up to 100 days of sick and bereavement leave, which will be paid upon termination at the rate of \$40 to \$50 per day. Classified employees may accumulate up to 60 days of sick and bereavement leave, which will be paid upon termination at the rate of \$10 to \$20 per day. At June 30, 2025, there were 4,027 days of accumulated leave.

\$ 597,304

The accrued compensated absence obligations are paid through the General Fund and the Grants Fund.

Long-term liability activity within governmental activities for the year ended June 30, 2025 was as follows:

	Compensated Absences
Balance, June 30, 2024	\$ 226,981
Additions	533,633
Reductions	163,310
Balance, June 30, 2025	<u>\$ 597,304</u>
Current portion	<u>\$ 163,310</u>

Note 5. Retirement Plan - WRS

Plan description: Substantially all employees of the District, excluding non-benefitted positions, are provided with pensions through the Public Employee Pension Plan, a statewide cost-sharing, multiple-employer defined benefit contributory retirement plan administered by the WRS. The authority to establish and amend benefits and contribution rates rests with the Wyoming State Legislature. The WRS is granted the authority to administer the plan by Wyoming State Statutes 9-3-401 through -432.

The WRS issues a publicly available financial report that may be requested from the WRS or accessed through its website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Benefits provided: The determination of retirement benefits is dependent upon the employee's initial employment date.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Plan - WRS, *Continued*

Service Retirement Tier 1: Full retirement at age 60 or qualifies for the Rule of 85. Early retirement is permitted at age 50 or 25 years of service. The formula for retirement equals 2.125% times the number of years of service times the three-year highest average salary for the first 15 years and 2.25% times the number of years of service times the three-year highest average salary after 15 years.

Service Retirement Tier 2: Full retirement at age 65 or qualifies for the Rule of 85. Early retirement is permitted at age 55 or 25 years of service. The formula for retirement equals 2% times the number of years of service times the five-year highest average salary.

Disability benefits: Partial or total disability retirement is available to any member who becomes incapacitated, mentally or physically, and cannot continue in the performance of his/her duties. To qualify, the member must have at least 10 years of service and be “in service” at the time of application for disability retirement. Upon retirement for a partial disability, the member receives a monthly disability retirement benefit for the period of his/her disability equal to 50% of the normal benefit payable to the member, as if the member was eligible for normal retirement benefits. Upon retirement for a total disability, the member receives a monthly disability benefit equal to 100% of his/her service retirement benefit as if the member was eligible for normal retirement benefits. Disability benefits are payable for the life of the member or until death.

Survivor's benefits: Certain surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased, as well as the benefit option selected by the member at the date of retirement.

Contributions: Per Title 9-3-412 and -413 of Wyoming State Statutes, effective July 1, 2021, member and employer contributions were required to be 9.25% and 9.37% of compensation, respectively. In accordance with Title 9-3-412(c)(ii) of Wyoming State Statutes, the District has elected to pay an average of 4.6% of the member contributions in addition to the employer contributions. Total contributions to the pension plan from the District were \$2,881,872 for the year ended June 30, 2025.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2025, the District reported a liability of \$20,305,411 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. There were no assumption changes for the 2024 actuarial valuation. The District's proportion of the net pension liability was based on the relationship of the District's total contributions to the plan for the year ended December 31, 2024 to the contributions of all participating employers for the same period. At December 31, 2024, the District's proportion was 0.9736129%, which was a decrease from its December 31, 2023 proportion of 0.9998386%.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Plan - WRS, *Continued*

For the year ended June 30, 2025, the District recognized pension expense of \$1,353,357. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,316,628	\$ 24,445
Net difference between projected and actual earnings on pension plan investments	-	2,570,858
Changes in proportionate share of contributions	252,790	433,226
Contributions subsequent to the measurement date	975,245	-
	<u>\$ 2,544,663</u>	<u>\$ 3,028,529</u>

An amount of \$975,245, reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025 will be recognized in pension expense, as follows:

Years ending June 30:	
2026	\$ (370,585)
2027	1,154,166
2028	(1,592,995)
2029	<u>(649,697)</u>
	<u>\$ (1,459,111)</u>

Actuarial assumptions: The total pension liability in the January 1, 2024 valuation was determined using the following actuarial assumptions adopted by the WRS Board, effective at its November 17, 2021 and February 17, 2022 meetings, and applied to the December 31, 2024 measurement date:

Inflation	2.25%
Salary Increases	2.50%-6.50%, including inflation
Payroll Growth Rate	2.50%
Cost of Living Increase	0.00%
Investment Rate of Return	6.80%, net of pension plan investment expense, including inflation

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Plan - WRS, *Continued*

Post-Retirement Mortality Mortality rates were based on the PUB-2010 General Healthy Annuitant Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 103%.

Pre-Retirement Mortality Mortality rates were based on the PUB-2010 General Employee Mortality Table, amount-weighted, fully generational, projected with the MP-2020 Ultimate Scale. Males had no setback, with a multiplier of 100%, and females had no setback, with a multiplier of 100%.

Long-term expected rate of return: The long-term expected rate of return on pension plan investments was determined using a building-block method, in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Each major asset class is included in the pension plan's target asset allocation as of January 1, 2024. These best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.50%	0.41%	0.40%
Gold	1.50%	2.33%	0.90%
Fixed income	20.00%	3.79%	4.22%
Equity	51.50%	6.51%	8.19%
Marketable alternatives	16.00%	4.54%	5.38%
Private markets	10.50%	6.23%	7.74%
	<u>100.00%</u>		

Experience analysis: An experience study was conducted on behalf of all WRS plans covering the five-year period ended December 31, 2020. That study provided a detailed analysis concerning the development of the long-term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g., mortality, salary increases, retirement, termination, and disability) and proposed assumptions consistent with the findings.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 5. Retirement Plan - WRS, *Continued*

Discount rate: The discount rate used to measure the total pension liability as of December 31, 2024 was 6.80%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate: The following presents the District's proportionate share of the net pension liability, calculated using the discount rate of 6.80%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 33,824,529	\$ 20,305,411	\$ 9,109,888

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued WRS financial report, which may be accessed through the WRS website at <https://retirement.wyo.gov/About/Reports?Label=Financial#categories>.

Note 6. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2025 is as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 120,457	\$ -
Grants Fund	-	120,457
	<u>\$ 120,457</u>	<u>\$ 120,457</u>

The balances in interfund receivables and payables resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

Note 6. Interfund Receivables, Payables and Transfers, *Continued*

	Transfers In	Transfers Out
General Fund	\$ -	\$ 535,000
Food Service Fund	535,000	-
	<u>\$ 535,000</u>	<u>\$ 535,000</u>

Transfers are used to: (1) move revenues from the fund that Wyoming State Statutes or budget require to collect them to the fund that Wyoming State Statutes or budget require to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 7. Risk Management

General liability: The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2025, the District contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance, and vehicle insurance. The coverages under each type of insurance policy vary in amounts and deductibles. On March 30, 2022, an electrical fire occurred at Southeast High School, resulting in damage to the school's Agriculture and Auto Tech building. To date, the District has received \$2,223,645 of insurance proceeds resulting from the loss of the building. The District has completed construction of the new Auto Tech building. During the year ended June 30, 2025, the District collected the final insurance proceeds related to the fire in the amount of \$1,439,128. The District has had no significant reductions in insurance coverage from coverage in the prior year.

The District pays a premium into the State Worker's Compensation System based on a rate per covered payroll. This rate is calculated based on accident history and administrative cost.

The District currently reports all of its risk management activities in the General Fund and the Major Maintenance Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

REQUIRED SUPPLEMENTARY INFORMATION

GOSHEN COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) -
GENERAL FUND
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 11,211,716	\$ 11,211,716	\$ 11,454,292	\$ 242,576
Intergovernmental revenues	21,872,439	21,872,439	22,372,291	499,852
Miscellaneous	1,424,927	1,424,927	408,133	(1,016,794)
Total revenues	34,509,082	34,509,082	34,234,716	(274,366)
Expenditures				
Instruction:				
Elementary instruction	5,704,605	5,704,605	5,762,024	(57,419)
Elementary student activities	10,509	10,509	9,369	1,140
Exceptional programs	4,614,667	4,614,667	4,716,736	(102,069)
Homebound program	15,000	15,000	14,410	590
Junior high instruction	3,116,059	3,116,059	2,884,857	231,202
Middle student activities	337,881	337,881	295,266	42,615
Other special programs	225,409	225,409	190,575	34,834
Senior high instruction	4,601,822	4,601,822	4,587,070	14,752
Senior high student activities	1,130,283	1,130,283	1,107,354	22,929
Total instruction	19,756,235	19,756,235	19,567,661	188,574
Instructional support:				
Educational media services	368,486	368,486	358,600	9,886
Guidance services	498,740	498,740	495,453	3,287
Health services	461,596	461,596	441,877	19,719
Improvement of instruction services	74,500	74,500	75,975	(1,475)
Instructional facilitators	120,101	120,101	114,846	5,255
Physical and occupational therapy services	167,631	167,631	137,185	30,446
Psychological services	498,277	498,277	473,237	25,040
Related service aide	59,846	59,846	52,177	7,669
Social work services	461,870	461,870	457,856	4,014
Speech pathology services	662,464	662,464	664,441	(1,977)
Supervision of educational media services	123,512	123,512	125,217	(1,705)
Supervision of special education services	220,182	220,182	221,552	(1,370)
Visually impaired and vision services	5,000	5,000	1,346	3,654
Total instructional support	3,722,205	3,722,205	3,619,762	102,443

Continued

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GENERAL FUND, *Continued* Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Expenditures, <i>Continued</i>				
General support:				
Architecture and support services	\$ 63,585	\$ 63,585	\$ 57,906	\$ 5,679
Board of Education services	66,000	66,000	69,357	(3,357)
Business administration	480,322	480,322	473,548	6,774
Election services	4,000	4,000	6,827	(2,827)
Care and upkeep of grounds services	104,548	104,548	110,777	(6,229)
Central administration	505,485	505,485	492,352	13,133
Fund transfer	550,000	550,000	535,000	15,000
General maintenance	3,972,565	3,972,565	3,797,636	174,929
Nonreimbursable transportation services	131,734	131,734	102,698	29,036
Reimbursable transportation non-vehicle services	168,197	168,197	139,544	28,653
School administration	2,308,441	2,308,441	2,320,615	(12,174)
Security services	2,000	2,000	2,850	(850)
Staff services	245,409	245,409	236,909	8,500
Technology coordination	640,627	640,627	718,307	(77,680)
Vehicle operations - activities	252,513	252,513	287,233	(34,720)
Vehicle operations to/from school	1,577,220	1,577,220	1,409,367	167,853
Total general support	11,072,646	11,072,646	10,760,926	311,720
Total expenditures	34,551,086	34,551,086	33,948,349	602,737
 (Deficiency) excess of revenues over expenditures	 \$ (42,004)	 \$ (42,004)	 \$ 286,367	 \$ 328,371

See Notes to Required Supplementary Information.

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) - GRANTS FUND

Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
State sources	\$ 50,000	\$ 50,000	\$ 48,000	\$ (2,000)
Federal sources	5,290,286	5,442,786	4,983,791	(458,995)
Total revenues	5,340,286	5,492,786	5,031,791	(460,995)
Expenditures				
Instruction	3,628,597	2,428,597	2,271,040	157,557
Instructional support	1,029,486	1,629,486	1,463,915	165,571
Guidance services	-	-	3,900	(3,900)
Social work services	-	-	231	(231)
General support	632,203	1,382,203	1,335,112	47,091
School administration	-	-	57	(57)
Food service organizations	-	2,500	1,884	616
Architecture/engineering services	50,000	50,000	-	50,000
Total expenditures	5,340,286	5,492,786	5,076,139	416,647
Excess of revenues over expenditures	\$ -	\$ -	\$ (44,348)	\$ (44,348)

See Notes to Required Supplementary Information.

GOSHEN COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) -
MAJOR MAINTENANCE FUND
Year Ended June 30, 2025**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Interest	\$ 350,000	\$ 350,000	\$ 457,478	\$ 107,478
State maintenance allocation	2,060,000	2,060,000	2,049,281	(10,719)
Total revenues	2,410,000	2,410,000	2,506,759	96,759
Expenditures				
Building and facility maintenance	2,410,000	2,410,000	707,910	1,702,090
Total expenditures	2,410,000	2,410,000	707,910	1,702,090
Excess of revenues over expenditures	\$ -	\$ -	\$ 1,798,849	\$ 1,798,849

See Notes to Required Supplementary Information.

GOSHEN COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Public Employee Pension Plan

Last 10 Fiscal Years*

	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.97753396%	\$ 22,770,116	\$ 17,587,601	129.47%	73.40%
2017	0.98976730%	23,927,627	17,921,899	133.51%	73.42%
2018	1.00978730%	23,016,491	17,743,897	129.71%	76.35%
2019	0.98617400%	30,031,867	17,168,335	174.93%	69.17%
2020	0.97652400%	22,947,594	17,377,044	132.06%	76.83%
2021	0.95812500%	20,823,503	17,470,042	119.20%	79.24%
2022	0.95399250%	14,545,729	17,388,206	83.65%	86.03%
2023	0.98299860%	26,863,526	18,464,618	145.49%	75.47%
2024	0.99983860%	22,698,148	20,108,674	112.88%	80.19%
2025	0.97361290%	20,305,411	20,654,103	98.31%	82.46%

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

See Notes to Required Supplementary Information.

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS

Public Employee Pension Plan

Last 10 Fiscal Years

	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 1,462,894	\$ 1,462,894	\$ -	\$ 17,477,823	8.37%
2017	1,521,252	1,521,252	-	18,175,048	8.37%
2018	1,445,722	1,445,722	-	17,272,668	8.37%
2019	1,477,180	1,477,180	-	17,208,801	8.58%
2020	1,547,297	1,547,297	-	17,444,156	8.87%
2021	1,587,772	1,587,772	-	17,409,777	9.12%
2022	1,647,712	1,647,712	-	17,584,976	9.37%
2023	1,811,375	1,811,375	-	19,331,646	9.37%
2024	1,925,658	1,925,658	-	20,551,317	9.37%
2025	1,929,198	1,929,198	-	20,589,097	9.37%

See Notes to Required Supplementary Information.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budgetary Stewardship, Compliance, and Accountability

Budgets and budgetary accounting: The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to May 15, the Business Manager submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted on or before the third Wednesday in July to obtain public comments.
3. The budget is adopted by the third Thursday of July.
4. At the request of the Superintendent or upon its own motion after publication of notice, the Board of Trustees may, by resolution, transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department, or account to another. All appropriations, excluding appropriations for capital projects, lapse at the close of the budget year to the extent that they are not expended or encumbered. The level of expenditure control for budget purposes is the functional level.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, the Capital Projects Fund, and the special revenue funds.
6. Budgets are adopted on a modified accrual plus encumbrances basis (budgetary). Such basis is not consistent with accounting principles generally accepted in the United States of America (U.S. GAAP).
7. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration during the year. Encumbrances outstanding at year-end within the General Fund, the Grants Fund, or the Major Maintenance Fund are included as reconciling items between the budgetary basis and the U.S. GAAP basis.

Note 2. Explanation of Differences Between Budgetary Basis and U.S. GAAP Basis

	General Fund	Grants Fund	Major Maintenance Fund
Expenditures:			
Actual amounts (budgetary basis) from the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budgetary Basis)	\$ 33,948,349	\$ 5,076,139	\$ 707,910
Differences - budgetary basis to U.S. GAAP basis:			
Transfers	(535,000)	-	-
Encumbrances	(54,189)	(4,254)	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 33,359,160	\$ 5,071,885	\$ 707,910

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 3. Changes in Retirement Commitment - Wyoming Retirement System (WRS)

Changes in benefit terms: There were no changes in benefit terms between the initial measurement date reflected below and the December 31, 2024 measurement date.

Changes in assumptions: Healthcare trend rates were updated, along with the assumptions relating to mortality rates, retirement rates, withdrawal rates, disability rates, and salary increase rates, based on the WRS's December 31, 2020 actuarial experience study. Further, there have been various assumption changes from the initial measurement date reflected below through the December 31, 2024 measurement date, as indicated in the table below:

Measurement Date (WRS Year-End)	Discount Rate	Investment Rate of Return	Inflation Rate	Salary Increase Rate	Payroll Growth Rate	Cost of Living Increase
2015	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2016	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2017	7.75%	7.75%	3.25%	4.25%-6.00%	4.25%	0.00%
2018	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2019	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2020	7.00%	7.00%	2.25%	2.50%-6.50%	2.50%	0.00%
2021	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2022	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2023	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%
2024	6.80%	6.80%	2.25%	2.50%-6.50%	2.50%	0.00%

OTHER SUPPLEMENTARY INFORMATION

GOSHEN COUNTY SCHOOL DISTRICT #1

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

June 30, 2025

	Recreation Fund	Student Activity Fund	BOCES Fund	Capital Projects Fund	Total
ASSETS					
Cash	\$ 191,700	\$ 527,749	\$ 13,697	\$ 414,298	\$ 1,147,444
Cash Held by Third Parties	2,755	-	4,199	-	6,954
Property Taxes Receivable	279,630	-	139,815	-	419,445
Prepaid Items	1,000	4,150	-	-	5,150
Total assets	<u>\$ 475,085</u>	<u>\$ 531,899</u>	<u>\$ 157,711</u>	<u>\$ 414,298</u>	<u>\$ 1,578,993</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 16,433	\$ 26,994	\$ 882	\$ -	\$ 44,309
Total liabilities	<u>16,433</u>	<u>26,994</u>	<u>882</u>	<u>-</u>	<u>44,309</u>
Deferred Inflows of Resources					
Unavailable revenues	279,630	-	139,815	-	419,445
Fund Balances					
Nonspendable:					
Prepaid items	1,000	4,150	-	-	5,150
Restricted for:					
Goshen County Recreation Board projects	178,022	-	-	-	178,022
BOCES	-	-	17,014	-	17,014
Committed to:					
Current capital projects	-	-	-	414,298	414,298
Assigned:					
Student activities	-	500,755	-	-	500,755
Total fund balances	<u>179,022</u>	<u>504,905</u>	<u>17,014</u>	<u>414,298</u>	<u>1,115,239</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 475,085</u>	<u>\$ 531,899</u>	<u>\$ 157,711</u>	<u>\$ 414,298</u>	<u>\$ 1,578,993</u>

GOSHEN COUNTY SCHOOL DISTRICT #1

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS Year Ended June 30, 2025

	Recreation Fund	Student Activity Fund	BOCES Fund	Capital Projects Fund	Total
Revenues					
Taxes	\$ 293,353	\$ -	\$ 174,798	\$ -	\$ 468,151
Intergovernmental revenues	-	-	-	234,079	234,079
Charges for services	-	658,952	83,226	-	742,178
Investment earnings	4,838	10,701	2,187	5,989	23,715
Total revenues	<u>298,191</u>	<u>669,653</u>	<u>260,211</u>	<u>240,068</u>	<u>1,468,123</u>
Expenditures					
Current:					
Instruction:					
Regular instruction	-	590,249	395,514	-	985,763
Total instruction	<u>-</u>	<u>590,249</u>	<u>395,514</u>	<u>-</u>	<u>985,763</u>
Support services:					
Facilities, acquisitions, and construction services	394,705	-	-	99,978	494,683
Operation and maintenance of plant services	-	-	-	11,884	11,884
Total support services	<u>394,705</u>	<u>-</u>	<u>-</u>	<u>111,862</u>	<u>506,567</u>
Capital outlay	-	34,994	-	-	34,994
Total expenditures	<u>394,705</u>	<u>625,243</u>	<u>395,514</u>	<u>111,862</u>	<u>1,527,324</u>
Net change in fund balances	<u>(96,514)</u>	<u>44,410</u>	<u>(135,303)</u>	<u>128,206</u>	<u>(59,201)</u>
Fund Balances, beginning of year	275,536	460,495	152,317	286,092	1,174,440
Fund Balances, end of year	<u>\$ 179,022</u>	<u>\$ 504,905</u>	<u>\$ 17,014</u>	<u>\$ 414,298</u>	<u>\$ 1,115,239</u>

SINGLE AUDIT SECTION

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture:			
Pass through State Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program	10.555	233WY901N8903	\$ 678
National School Lunch Program	10.555	243WY312N1099	344,263
National School Lunch Program - Noncash	10.555	None	78,902
Subtotal National School Lunch Program			<u>423,843</u>
School Breakfast Program	10.553	243WY312N1099	<u>155,245</u>
Fresh Fruit and Vegetable Program	10.582	243WY379L1603	<u>50,890</u>
Child and Adult Care Food Program	10.558	253WY312N1099	20,290
Child and Adult Care Food Program	10.558	253WY312N2020	701
			<u>20,991</u>
Summer Food Service Program for Children	10.559	233WY312N1099	19,408
Total Child Nutrition Cluster			<u>670,377</u>
Total U.S. Department of Agriculture			<u>670,377</u>
U.S. Department of Education:			
Pass through State Department of Education:			
Title I Grants to Local Educational Agencies:			
Title I	84.010A	S010A230050	269,187
Title I	84.010A	S010S230050	8,667
Title I	84.010A	S010S240050	510,433
Title I	84.010A	S010S240050	41,794
Total Title I Grants to Local Educational Agencies			<u>830,081</u>
Career and Technical Education - Basic Grants to States:			
Perkins	84.048A	V048A240050	55,831
Total Career and Technical Education - Basic Grants to States			<u>55,831</u>
Supporting Effective Instruction State Grants:			
Title II-A	84.367A	S367A240048	14,523
Title II-A	84.367A	S367A230048	189,024
Total Supporting Effective Instruction State Grants			<u>203,547</u>
English Language Acquisition State Grants:			
Title III	84.365A	None	91
Total English Language Acquisition State Grants			<u>91</u>
Student Support and Academic Enrichment Program:			
Title IV	84.424A	S424A230052	122,569
Title IV	84.424A	S424A240052	28,079
Total Student Support and Academic Enrichment Program			<u>150,648</u>

Continued

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,

Continued

Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education, <i>Continued</i> :			
Pass through State Department of Education, <i>Continued</i> :			
Special Education Cluster:			
Special Education - Grants to States:			
Title VIB - IDEA 611	84.027A	H027A230014	\$ 225,722
Title VIB - IDEA 611	84.027A	H027A240014	500,146
Title VIB - IDEA 611	84.027A	H027A220014	3,720
Subtotal Special Education - Grants to States			<u>729,588</u>
Total Special Education - Grants to States			<u>729,588</u>
Special Education - Preschool Grants	84.173A	H173A240076	5,045
Total Special Education - Preschool Grants			<u>5,045</u>
Total Special Education Cluster			<u>734,633</u>
Education Stabilization Fund:			
COVID-19 Elementary and Secondary School Emergency Relief (ESSER) Fund	84.425D	S425D210051	<u>109,217</u>
COVID-19 ARP ESSER - Homeless Children & Youth	84.425W	S425W210052	<u>6,526</u>
COVID-19 ARP ESSER - ESSER III	84.425U	S425D220051	<u>1,647,443</u>
Subtotal ARP ESSER			<u>1,647,443</u>
Total Education Stabilization Fund			<u>1,763,186</u>
Comprehensive Literacy Development	84.371C	S371C210013	<u>1,045,530</u>
Total U.S. Department of Education			<u>4,783,547</u>
Federal Communications Commission:			
Pass through State Department of Education:			
Stronger Connections	84.424F	S424F220052	<u>122,282</u>
Total Federal Communications Commission			<u>122,282</u>
Total expenditures of Federal awards			<u>\$ 5,576,206</u>

See Notes to Schedule of Expenditures of Federal Awards.

GOSHEN COUNTY SCHOOL DISTRICT #1

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the accompanying Goshen County School District #1 (the District) Schedule of Expenditures of Federal Awards (the Schedule) are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District provided no Federal funds to subrecipients.

Note 2. De Minimis Cost Rate

The District did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance.

Note 3. Basis of Presentation

The Schedule includes the Federal award activity of the District under programs of the Federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the District.

Note 4. Noncash Awards

The Schedule includes the following noncash items as expenditures: U.S. Department of Agriculture (USDA) commodities of \$78,902. The values of USDA commodities have been recorded at their fair values at the date of issuance.



MHP Assurance Services, LLP

**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**

Honorable Superintendent and Board of Trustees
Goshen County School District #1
Torrington, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Goshen County School District #1 (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon, dated December 4, 2025.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2025-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to Finding

Government Auditing Standards require the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MHP Assurance Services, LLP

Cheyenne, Wyoming
December 4, 2025



MHP Assurance Services, LLP

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

Honorable Superintendent and Board of Trustees
Goshen County School District #1
Torrington, Wyoming

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Goshen County School District #1's (the District) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2025. The District's major Federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

MHP Assurance Services, LLP

Cheyenne, Wyoming
December 4, 2025

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2025

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

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

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

Identification of major Federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.425 Cluster	COVID-19 Education Stabilization Fund Special Education Cluster

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

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

II. FINANCIAL STATEMENT FINDINGS

2025-001: Segregation of Duties and Internal Controls Surrounding Journal Entries and Audit Adjustments (Material Weakness)

Criteria: Internal controls are designed to safeguard assets and help prevent loss from employee dishonesty or error. An internal control structure should be designed to identify adjusting journal entries that are significant to Goshen County School District #1's (the District) financial statements that are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Fundamental concepts in an adequate system of internal control include the segregation of duties, which follows the basic premise that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction, and the identification and prevention or detection of errors on a timely basis.

GOSHEN COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2025

II. FINANCIAL STATEMENT FINDINGS, *Continued*

Condition/context: During the course of our audit, we noted several instances where there is not an adequate segregation of duties. We specifically noted that one individual has the authority to post journal entries without a secondary review or approval and that the same individual can have physical custody of cash assets and also can post cash receipts. In addition, the lack of segregation of duties also impacts the financial reporting and close process.

The following adjusting journal entries were proposed to ensure that the financial statements were properly stated in accordance with U.S. GAAP:

- To increase Federal contracts and grants revenue and accounts receivable by approximately \$358,000.

It should be noted that the Board of Trustees does provide monthly oversight through a cash balance report review.

Cause: The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish an adequate system of internal checks on the accuracy and reliability of the accounting records.

Effect: Without properly designed internal control systems, Goshen County School District #1 (the District) could be susceptible to a misappropriation of assets (theft of money) and/or inaccurate financial reporting.

Recommendation: We recommend that current internal control policies and procedures be scrutinized to ensure that proper segregation is obtained when possible. While we recognize that the District's Business Office is small, which can make robust segregation of duties controls difficult, we believe that the Board of Trustees should be aware that the condition exists and provide oversight when possible.

Views of responsible officials and planned corrective action: Management concurs with the finding. See Exhibit I.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

GOSHEN COUNTY SCHOOL DISTRICT #1

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

I. FINANCIAL STATEMENT FINDINGS

2024-001: Segregation of Duties and Internal Controls Surrounding Journal Entries and Audit Adjustments (Material Weakness)

Condition/context: During the course of our audit, we noted several instances where there is not an adequate segregation of duties. We specifically noted that one individual has the authority to post journal entries without a secondary review or approval and that the same individual can have physical custody of cash assets and also can post cash receipts. In addition, the lack of segregation of duties also impacts the financial reporting and close process.

The following adjusting journal entries were proposed to ensure that the financial statements were properly stated in accordance with accounting principles generally accepted in the United States of America:

- To correct the recording of the \$1,439,000 of insurance proceeds.
- To increase Federal contracts and grants revenue and accounts receivable by approximately \$428,000.
- To decrease fixed assets by approximately \$300,000 and depreciation expense and accumulated depreciation by \$10,000.

It should be noted that the Board of Trustees does provide monthly oversight through a cash balance report review.

Recommendation: We recommend that current internal control policies and procedures be scrutinized to ensure that proper segregation is obtained when possible. While we recognize that Goshen County School District #1's Business Office is small, which can make robust segregation of duties controls difficult, we believe that the Board of Trustees should be aware that the condition exists and provide oversight when possible.

Status: See finding 2025-001

EXHIBIT I

CORRECTIVE ACTION PLAN



626 West 25th Avenue • Torrington, WY 82240
307-532-2171 • Fax 307-532-7085
www.goshen1.org

Ryan Kramer
Superintendent
of Schools

Kevin Derby
Director of Curriculum,
Instruction & Data
Management

Marcy Cates
Business Manager

BOARD OF TRUSTEES

Lena Moeller
Chairman

Sarah Chaires
Board Vice-Chair

Wade Phipps
Board Clerk

Kate Steinbock
Board Treasurer

Chris Alexander

Tony Goulart

Dylan Hager

Val Sharp

Kelly Strampe

CORRECTIVE ACTION PLAN
Year Ended June 30, 2025

The following is the corrective action plan for the Schedule of Findings and Questions Costs:

2025-001: Segregation of Duties and Internal Controls Surrounding Journal Entries and Audit Adjustments

Corrective Action: Management understands that we are operating with a small staff and taking advantage of all efficiencies. The District will work to segregate duties as much as possible given the small staff. The District Board of Directors will continue to review financial statements prepared internally each month.

Anticipated Completion Date: Ongoing

Contact Person: Superintendent Ryan Kramer and Business Manager Marcy Cates