

Town of Alpine, Wyoming

Financial Report

June 30, 2024

Town of Alpine, Wyoming
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Independent Auditor's Report

Honorable Mayor and
Members of the Town Council
Town of Alpine, Wyoming

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Alpine, Wyoming ("the Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town 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.

Management's Responsibility 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 Town's ability to continue as a going concern for twelve 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Town'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 Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 33 and the schedules of the Town's share of the net pension liability and the Town's contributions on pages 35 and 36, respectively, 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 September 30, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

September 30, 2025

Basic Financial Statements

Town of Alpine, Wyoming
Statement of Net Position - Town-Wide
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents (Note 6)	\$ 945,265	\$ 3,946,077	\$ 4,891,342
Investments (Note 7)	1,181,334	-	1,181,334
Receivables (Note 8)	413,724	393,841	807,565
Prepaid expenses	925	-	925
Financed purchase agreement receivable, due within one year (Note 10)	151,832	-	151,832
Total current assets	2,693,080	4,339,918	7,032,998
Noncurrent assets:			
Financed purchase agreement receivable, due after one year (Note 10)	1,945,951	-	1,945,951
Capital assets, net (Note 9)	8,750,038	15,741,285	24,491,323
Total noncurrent assets	10,695,989	15,741,285	26,437,274
Total assets	13,389,069	20,081,203	33,470,272
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to the net pension liability (Note 12)	243,811	-	243,811
Total deferred outflows of resources	243,811	-	243,811
LIABILITIES			
Current liabilities:			
Accounts payable	80,282	327,652	407,934
Accrued payroll liabilities	71,386	59,726	131,112
Customer deposits	-	1,954,145	1,954,145
Accrued compensated absences, due within one year (Note 11)	15,830	-	15,830
Notes payable, due within one year (Note 11)	369,674	154,168	523,842
Total current liabilities	537,172	2,495,691	3,032,863
Noncurrent liabilities:			
Accrued compensated absences, due after one year (Note 11)	15,830	-	15,830
Notes payable, due after one year (Note 11)	345,573	2,313,579	2,659,152
Net pension liability (Note 12)	725,620	-	725,620
Total noncurrent liabilities	1,087,023	2,313,579	3,400,602
Total liabilities	1,624,195	4,809,270	6,433,465
DEFERRED INFLOWS OF RESOURCES			
Financed purchase agreement deferred revenue (Note 10)	2,097,783	-	2,097,783
Deferred inflows related to the net pension liability (Note 12)	28,891	-	28,891
Total deferred inflows of resources	2,126,674	-	2,126,674
Commitments and contingencies (Note 13)			
NET POSITION			
Net investment in capital assets	8,750,038	13,273,538	22,023,576
Unrestricted	1,131,973	1,998,395	3,130,368
Total net position	\$ 9,882,011	\$ 15,271,933	\$ 25,153,944

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

Town of Alpine, Wyoming
Statement of Activities - Town-Wide
Year Ended June 30, 2024

Functions/Programs	Expenses	Charges for Services	Operating and Capital Grants	Governmental Activities	Business- Type Activities	Total
Governmental activities:						
Administration	\$ 756,451	\$ 155,731	\$ 263,982	\$ (336,738)		\$ (336,738)
Court	8,638	1,575	-	(7,063)		(7,063)
Police	93,531	-	-	(93,531)		(93,531)
Tourism	37,325	-	-	(37,325)		(37,325)
Parks	101,235	18,893	-	(82,342)		(82,342)
Streets	206,681	-	-	(206,681)		(206,681)
Maintenance	127,162	-	-	(127,162)		(127,162)
Community support	106,005	222,672	-	116,667		116,667
Interest expense	22,816	-	-	(22,816)		(22,816)
Unallocated depreciation	419,365	-	-	(419,365)		(419,365)
Total governmental activities	1,879,209	398,871	263,982	(1,216,356)		(1,216,356)
Business-type activities:						
Water services	1,022,956	663,556	18,535		\$ (340,865)	(340,865)
Sewer services	5,371,313	2,150,299	1,345,150		(1,875,864)	(1,875,864)
Total business-type activities	6,394,269	2,813,855	1,363,685		(2,216,729)	(2,216,729)
Total town	\$ 8,273,478	\$ 3,212,726	\$ 1,627,667	(1,216,356)	(2,216,729)	(3,433,085)
General revenue:						
Property taxes				213,910	-	213,910
Sales and use taxes				1,486,527	-	1,486,527
Other local income				485,879	-	485,879
Donations				23,000	-	23,000
Interest and investment earnings				79,534	53,141	132,675
Total general revenue				2,288,850	53,141	2,341,991
Changes in net position				1,072,494	(2,163,588)	(1,091,094)
Net position, beginning of year				8,809,517	17,435,521	26,245,038
Net position, end of year				\$ 9,882,011	\$ 15,271,933	\$ 25,153,944

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

Town of Alpine, Wyoming
Balance Sheet - Governmental Fund
June 30, 2024

	General Fund
ASSETS	
Assets:	
Cash and cash equivalents	\$ 945,265
Investments	1,181,334
Receivables	2,359,675
Prepaid expenses	925
	<hr/>
Total assets	\$ 4,487,199
	<hr/>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 80,282
Accrued payroll liabilities	71,386
	<hr/>
Total liabilities	151,668
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Property taxes, unavailable	7,930
Financed purchase agreement deferred revenue	2,097,783
	<hr/>
Total deferred inflows of resources	2,105,713
	<hr/>
Total liabilities and deferred inflows of resources	2,257,381
	<hr/>
Fund balance:	
Nonspendable	925
Unassigned	2,228,893
	<hr/>
Total fund balance	2,229,818
	<hr/>
Total liabilities and fund balance	\$ 4,487,199
	<hr/>

Town of Alpine, Wyoming
Reconciliation of the Balance Sheet - Governmental Fund
with the Statement of Net Position - Town-Wide
June 30, 2024

Amounts reported for governmental activities in the Statement of Net Position - Town-Wide are different because:

Total fund balance - Governmental Fund		\$ 2,229,818
Property taxes receivable will be collected, but are not available soon enough to pay for current-period expenditures, and are therefore reported reported as deferred inflows of resources in the governmental funds		7,930
Finance purchase agreement (FPA) payments received by the Town are recognized as revenue in the governmental funds in the year received. In the Town-Wide financial statements, a receivable for all future principal FPA payments is established, and FPA payments received by the Town reduce the receivable balance as they are received:		
FPA payments receivable, due within one year		151,832
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
The cost of capital assets is	\$ 13,081,199	
Accumulated depreciation is	<u>(4,331,161)</u>	
		8,750,038
Noncurrent liabilities, including net pension liability and accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:		
Net pension liability	(725,620)	
Accrued compensated absences, due within one year	(15,830)	
Accrued compensated absences, due after one year	(15,830)	
Notes payable, due within one year	(369,674)	
Notes payable, due after one year	<u>(345,573)</u>	
		(1,472,527)
Deferred outflows and deferred inflows of resources pertaining to the net pension liability are not financial resources and therefore are not reported in the governmental funds:		
Deferred outflows related to the net pension liability	243,811	
Deferred inflows related to the net pension liability	<u>(28,891)</u>	
		<u>214,920</u>
Total net position - Town-Wide		<u><u>\$ 9,882,011</u></u>

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

Town of Alpine, Wyoming
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund
Year Ended June 30, 2024

	General Fund
Revenues:	
Property taxes	\$ 205,980
Sales and use taxes	1,486,527
Court fines	1,575
Town fees and permits	155,731
Other local income	485,879
Facility rentals	222,672
Recreation income	18,893
Grants	263,982
Donations	23,000
Interest income	79,534
	<hr/>
Total revenues	2,943,773
	<hr/>
Expenditures:	
Administration	743,275
Court	8,286
Police	89,720
Tourism	37,492
Parks	97,110
Streets	227,394
Maintenance	278,462
Capital expenditures	249,629
Debt Service	210,220
Community support	106,480
	<hr/>
Total expenditures	2,048,068
	<hr/>
Excess of revenues over expenditures	895,705
	<hr/>
Fund balance, beginning of year	1,334,113
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Fund balance, end of year	\$ 2,229,818
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The accompanying notes are an integral part of the basic financial statements.

Town of Alpine, Wyoming
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance -
Governmental Fund with the Statement of Activities - Town-Wide
Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities - Town-Wide are different because:

Net change in fund balance - Governmental Fund	\$ 895,705
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Capital outlays to purchase capital assets are reported as expenditures in the governmental funds. However, in the Statement of Activities - Town-Wide the cost of these assets is allocated over their estimated useful lives as depreciation:

Capital outlays	\$ 461,518	
Depreciation	<u>(419,365)</u>	42,153

In the Statement of Activities - Town-Wide, pension offset (expense) is actuarially determined and adjusted by amortization of deferred outflows and deferred inflows of resources. In the governmental funds, however, pension expenditures are measured by the amount of financial resources used (i.e., the amount of contributions actually paid). The difference between contributions paid and the changes in the Town's proportionate share of the net pension liability and the related deferred outflows and deferred inflows of resources is an adjustment.

(67,787)

Some taxes will not be collected until several months after the Town's fiscal year end, and therefore will not be available to pay liabilities of the current period. Accordingly, they are recorded as taxes unavailable in the governmental funds. In the Statement of Activities, however, they are recorded as revenue. The change in taxes unavailable on the Governmental Funds Balance Sheet during 2024 is an adjustment.

7,930

In the Statement of Activities - Town-Wide, compensated absences (e.g., accrued vacation and compensated leave) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, compensated absences earned exceeded compensated absences paid.

7,089

Repayment of note principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position - Town-Wide.	<u>187,404</u>
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Changes in net position - Town-Wide	<u><u>\$ 1,072,494</u></u>
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Town of Alpine, Wyoming
Statement of Net Position - Proprietary Funds
June 30, 2024

	Water Fund	Sewer Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,176,159	\$ 2,769,918	\$ 3,946,077
Accounts receivable	154,023	239,818	393,841
Total current assets	1,330,182	3,009,736	4,339,918
Noncurrent assets:			
Capital assets, net	4,568,552	11,172,733	15,741,285
Total assets	5,898,734	14,182,469	20,081,203
LIABILITIES			
Current liabilities:			
Accounts payable	50,525	277,127	327,652
Accrued payroll liabilities	4,837	54,889	59,726
Customer deposits	696,264	1,257,881	1,954,145
Notes payable, due within one year	25,014	129,154	154,168
Total current liabilities	776,640	1,719,051	2,495,691
Noncurrent liabilities:			
Notes payable, due after one year	115,856	2,197,723	2,313,579
Total liabilities	892,496	3,916,774	4,809,270
NET POSITION			
Net investment in capital assets	4,427,682	8,845,856	13,273,538
Unrestricted	578,556	1,419,839	1,998,395
Total net position	\$ 5,006,238	\$ 10,265,695	\$ 15,271,933

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

Town of Alpine, Wyoming
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2024

	Water Fund	Sewer Fund	Total
Operating revenues:			
Service fees	\$ 663,556	\$ 1,081,038	\$ 1,744,594
Grant funds	18,535	1,345,150	1,363,685
Other fees	-	1,069,261	1,069,261
Total operating revenues	682,091	3,495,449	4,177,540
Operating expenses:			
Payroll costs	303,166	404,262	707,428
Administration	238,997	230,693	469,690
System supplies and maintenance	239,187	2,336,387	2,575,574
Utilities	49,736	616,590	666,326
Water and wastewater testing	17,600	1,121,535	1,139,135
Depreciation expense (Note 9)	174,270	586,436	760,706
Total operating expenses	1,022,956	5,295,903	6,318,859
Changes in net position from operations	(340,865)	(1,800,454)	(2,141,319)
Non-operating income (expenses):			
Interest income	42,746	10,395	53,141
Interest expense	-	(75,410)	(75,410)
Total non-operating income (expense), net	42,746	(65,015)	(22,269)
Changes in net position	(298,119)	(1,865,469)	(2,163,588)
Net position, beginning of year	5,304,357	12,131,164	17,435,521
Net position, end of year	\$ 5,006,238	\$ 10,265,695	\$ 15,271,933

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

Town of Alpine, Wyoming
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2024

	Water Fund	Sewer Fund	Total
Cash flows from operating activities:			
Cash received from user charges	\$ 617,646	\$ 3,465,982	\$ 4,083,628
Cash paid to employees for services	(302,814)	(407,764)	(710,578)
Cash paid for other expenses	(238,997)	(230,693)	(469,690)
Cash paid for system supplies and maintenance	(205,947)	(2,171,983)	(2,377,930)
Cash paid for utilities	(49,736)	(616,590)	(666,326)
Cash paid for water and wastewater testing	(17,600)	(1,121,535)	(1,139,135)
Net cash used by operating activities	(197,448)	(1,082,583)	(1,280,031)
Cash flows from investing activities:			
Cash paid for capital assets	(85,783)	(1,934,646)	(2,020,429)
Cash received from grants	18,535	1,345,150	1,363,685
Change in investments, net	-	549,000	549,000
Unrealized loss on investment	42,746	10,395	53,141
Net cash used by investing activities	(24,502)	(30,101)	(54,603)
Cash flows from capital financing activities:			
Cash paid for interest expense	-	(75,410)	(75,410)
Principal payments on notes payable	(28,398)	(187,746)	(216,144)
Net cash used by capital financing activities	(28,398)	(263,156)	(291,554)
Increase in cash and cash equivalents	(250,348)	(1,375,840)	(1,626,188)
Cash and cash equivalents, beginning of year	1,426,507	4,145,758	5,572,265
Cash and cash equivalents, end of year	\$ 1,176,159	\$ 2,769,918	\$ 3,946,077
Reconciliation of changes in net position from operations to net cash used by operating activities:			
Changes in net position from operations	\$ (340,865)	\$ (1,800,454)	\$ (2,141,319)
Adjustments to reconcile changes in net position from operations to net cash used by operating activities:			
Depreciation expense	174,270	586,436	760,706
Changes in assets and liabilities:			
Accounts receivable	(67,426)	1,124	(66,302)
Accounts payable	33,240	164,404	197,644
Accrued payroll liabilities	352	(3,502)	(3,150)
Customer deposits	2,981	(30,591)	(27,610)
Net cash used by operating activities	\$ (197,448)	\$ (1,082,583)	\$ (1,280,031)

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

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

1. Organization

The Town of Alpine, Wyoming (“the Town”) is located on the western border of Wyoming, has a population of approximately 1,220 people and is governed by a Mayor and a four-member Town Council. The Town provides a broad range of services to its citizens, including general government, public safety (police), public works (streets and public improvements) and parks and recreation. In addition, the Town owns and operates a water system and a sewer system.

The Town is not included in any other governmental "reporting entity" as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards, since the Mayor and council members are elected by the public; have decision-making authority; have the power to designate management; have the ability to significantly influence operations; and have primary accountability for fiscal matters. Additionally, the Town does not have any component units.

2. Town-Wide and Fund Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments* (Statement No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by Statement No. 34 includes:

Management's Discussion and Analysis

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

Town-Wide Financial Statements

The town-wide financial statements, including the Statement of Net Position - Town-Wide and the Statement of Activities - Town-Wide, report information on all of the activities of the Town. These statements distinguish between the *governmental* and *business-type* activities of the Town. Governmental transactions are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or part by fees charged to external parties.

The Statement of Activities - Town-Wide presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and the business-type activities of the Town. Direct expenses are those that are specifically associated with a program or function. The Town does not charge indirect expenses to programs or functions. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

2. Town-Wide and Fund Financial Statements, Continued

Town-Wide Financial Statements, Continued

In general, the effect of interfund transactions has been eliminated from the town-wide financial statements. Exceptions to this general rule are transactions between the Town's governmental and business-type activities. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

Depreciation is presented in its entirety in the Statement of Activities - Town-Wide. No depreciation has been allocated to any of the Town's specific functions.

Fund Financial Statements

The fund financial statements provide information on the Town's funds. Separate statements for each fund category – *Governmental and Proprietary* – are presented. The emphasis of fund financial statements is on major governmental and business-type funds, each displayed separately.

Budgetary Comparison Schedules

The budgetary comparison schedules are presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the Town's legally adopted budget (Note 4). The Town may revise the original budget over the course of the year for various reasons. Under the reporting model prescribed by Statement No. 34, budgetary information continues to be provided, and includes comparisons of the Town's originally adopted budget to the final budget and actual results.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The town-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined, and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences and early retirement liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under financed purchase agreements are reported as other financing sources.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

The Town reports the following governmental fund:

General Fund: The General Fund is the primary operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund. This is a budgeted fund, and any unassigned or unencumbered fund balances are considered as resources available for use.

The Town reports the following proprietary funds:

Proprietary funds (Water Fund and Sewer Fund): The proprietary funds are used for operations that are financed and operated in a manner similar to private enterprises where the intent of providing goods and services is financed primarily through user charges. The Town's proprietary funds are used to account for the Water and Sewer departments, which provide water and sewer services to individuals and businesses within the Town. Operating revenues are comprised of user charges. Non-operating revenues, if any, are comprised of interest income, grants, and transfers from other funds.

4. Budgetary Information

Under Wyoming law, the Town's approved budget establishes maximum legal authorization for expenditures during the fiscal year. The budget is prepared on the cash basis of accounting. Unused appropriations lapse at the end of the year.

Prior to the beginning of each new fiscal year, the Mayor and Town Council formulate the budget. The proposed budget is placed on file for public inspection and posted in the community for public comment. Beginning in April, the budget is read in three consecutive Council meetings. After the third reading, generally in June, the budget is formally adopted. A verification of the established budget is sent to the State of Wyoming, Department of Audit.

Actual expenditures and operating transfers out may not legally exceed budget appropriations at the functional level. The legal level of budgetary control is the functional level at which the Town Council must approve any over-expenditures of appropriations or transfers of appropriated amounts.

The Town Council may amend the budget after holding a budget hearing at any time during the year. The administration may transfer between budgetary line items within a function without Town Council approval.

5. Summary of Significant Accounting Policies

Accounting Principles Generally Accepted in the United States of America

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

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

5. Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Cash received by the Town is pooled for investment purposes. Interest earned on the balances in the pooled accounts is allocated to the participating funds in proportion to the average daily balances in each fund. The Town considers all short-term deposits and highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

Investments

Wyoming statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements.

Receivables

Receivables shown on the governmental fund financial statements are those for which payment was received within 60 days after the financial statement date. All receivables, regardless of when they are collected, are recognized in the government-wide and proprietary fund financial statements. Such receivables are shown net of any allowances for uncollectible amounts.

Property Taxes

Properties are classified as either gross production of minerals and mine products or all other properties, including property used for industrial, real, and personal purposes.

Property Taxes Receivable and Deferred Inflows from Minerals

The State of Wyoming ("the State") is responsible for levying and collecting all taxes related to mineral extraction including but not limited to oil, natural gas, coal, bentonite, sand and gravel, trona, and uranium (mineral taxes). As extraction occurs, mineral extraction companies make monthly estimated mineral tax payments to the State. Mineral taxes collected by the State are distributed to counties in which mineral production occurred, and the counties then distribute the taxes to various organizations within its boundaries. During August of each year, the prior calendar year's extraction information is evaluated and mineral taxes for that extraction period are levied by each respective county. Because the estimated mineral tax payments are paid using the prior year's levy amounts, there is a true-up between the estimated tax payments and the actual August tax levy.

During the 2022 budget session of the Wyoming legislature, the legislators approved a deferral of mineral taxes related to 50% of calendar year 2020 and all of calendar year 2021. Under this deferral program, 8% of the deferred taxes are to be paid on or before December 1st of each year, beginning in 2023, and continuing until all of the deferred taxes have been paid in full. As long as payments are made on time, they are not subject to penalties or interest. If payments are not made on time, there are increasing levels of penalties, with the ultimate possibility of having to immediately pay all remaining deferred taxes along with penalties and interest.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

5. Summary of Significant Accounting Policies, Continued

Property Taxes, Continued

Property Taxes Receivable and Deferred Inflows from Minerals, Continued

In the governmental funds financial statements, mineral taxes are recorded as revenue during the period in which the taxes are levied, to the extent that they are collected and received by the Town within 60 days of that fiscal year-end, while in the town-wide financial statements, mineral taxes are recorded as revenue in the year in which the taxes are levied, regardless of when they are collected. Because mineral taxes are paid as extraction occurs, the chance of any significant amounts being outstanding more than 60 days after the end of the fiscal year in which the levy occurs is considered remote.

The taxes related to 2023 calendar year mineral extraction, which were levied during August 2024, and mineral taxes that were paid through June 30, 2024 for 2024 calendar year mineral extraction, have been recognized as unearned revenue at June 30, 2024. During the 2024 fiscal year, 2022 calendar year mineral tax payments were removed from unearned revenue and recognized as revenue. During the 2025 fiscal year, 2023 calendar year mineral tax payments will be removed from unearned revenue and recognized as revenue.

Property Taxes Receivable and Deferred Inflows from all Other Properties

The Lincoln County Treasurer is responsible for levying and collecting non-mineral related property taxes on behalf of the Town (other property taxes). Other property taxes attach as an enforceable lien on property on January 1 of each year. Other property taxes are levied on or about July 1 and are due in two installments. The first installment becomes due on September 1 and is delinquent on November 10; the second installment becomes due on March 1, and is delinquent on May 10.

Because the Town is not a taxing entity, other property taxes that are collected on the Town's behalf by the Lincoln County Treasurer are recorded as receivables. In the governmental funds financial statements, other property taxes are recorded as revenue in the period for which the taxes are levied, to the extent that they are collected and received by the Town within 60 days after year-end. Other property taxes receivable which are collected subsequent to 60 days after year-end, are offset in the governmental fund financial statements with deferred inflows of resources. In the town-wide financial statements, all other property taxes, regardless of when they are collected, are recorded as revenue in the period for which the taxes are levied.

Capital Assets

Capital assets are reported in the Town-wide and proprietary fund financial statements, and as expenditures in the governmental fund financial statements. Purchased or constructed capital assets are reported at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value as of the date of donation. Major improvements and betterments are capitalized. The Town uses a capitalization threshold of \$5,000. Expenditures for repairs and maintenance are charged to expense in the period incurred. When capital assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is included in the Statement of Activities - Town-Wide or the Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

5. Summary of Significant Accounting Policies, Continued

Capital Assets, Continued

In the Statement of Activities - Town-Wide and the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds, depreciation on capital assets is calculated using the straight-line method over the estimated useful lives of those assets, as follows:

	Governmental Activities	Business-Type Activities
Buildings	20 to 40 years	40 years
Building improvements	20 to 25 years	--
Infrastructure	20 to 25 years	--
Land improvements	20 years	--
Equipment	10 to 20 years	--
Vehicles	7 to 25 years	--
Water system	--	40 to 70 years
Sewer system	--	40 to 70 years

Fair Value Measurements

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

Certain assets and liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment). The Town had no assets or liabilities measured at fair value on a nonrecurring basis during 2024.

Accrued Liabilities

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

Accrued Compensated Absences

The Town reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Compensated absences consist of accumulated sick and vacation leave balances that are unpaid by the financial statement date.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

5. Summary of Significant Accounting Policies, Continued

Accrued Compensated Absences, Continued

All eligible employees of the Town earn vacation and compensated leave in amounts that vary based on tenure and classification. The Town records a liability for accumulated unused vacation and compensated leave for all eligible employees.

In accordance with GASB Statement No. 16, no liability is recorded for non-vesting accumulated rights to receive sick pay. Employees become vested at the completion of eight consecutive years of service to the Town. At termination or retirement, all vested employees or their beneficiary will be paid for any accumulated leave up to 90 days at the rate of up to \$55 per day.

Accumulated leave that is expected to be utilized by employees during the upcoming fiscal year is reported as an expense and current liability of the governmental activities in the town-wide statements. Accumulated leave that is not expected to be utilized by employees during the upcoming fiscal year is reported as an expense and a non-current liability of the governmental activities in the town-wide statements.

Pensions

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

In the event that the Plan was unable to meet its benefit payment requirements, the Town has determined that its General Fund would likely make all required pension payments. Therefore, all of the Town’s pension-related activities have been recorded in the General Fund.

Net Position

Net position represents the difference between assets plus deferred outflows, and liabilities plus deferred inflows. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is required to be classified within one or more of the following three components:

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

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

5. Summary of Significant Accounting Policies, Continued

Net Position, Continued

Restricted net position: This component of net position consists of amounts subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation; and

Unrestricted net position: This component of net position consists of amounts that do not meet the definition of “net investment in capital assets,” or “restricted net position.”

Use of Restricted Resources

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

Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions* (Statement No. 54) defines the different types of fund balance classifications in which a governmental entity must report fund balance. These classifications are as follows from most restrictive to least restrictive:

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

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

Committed: The portion of fund balance that can be used only for the specific purposes determined by a formal action of the Town’s Council (the Town’s highest level of decision-making authority);

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

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

Fund Balance Spending Policy

When expenditures qualify to be paid out of more than one fund balance category, it is the policy of the Town to spend funds from the most restrictive fund balance category to the least restrictive fund balance category.

Grant Revenue

The Town receives financial assistance from governmental agencies in the form of grants. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Funds received but not earned at year-end, if any, are recorded as deferred revenue.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

5. Summary of Significant Accounting Policies, Continued

Operating and Non-Operating Revenues

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

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

Subsequent Events

The Town has evaluated subsequent events through September 30, 2025, the date these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2024 that require recognition or disclosure in these financial statements.

6. Cash and Cash Equivalents

The Town's cash and cash equivalents consist of checking accounts and savings accounts at local banks. The carrying amount of cash and cash equivalents at June 30, 2024 was \$4,891,342 and bank balances totaled \$4,000,781. The differences between the carrying amount of cash and cash equivalents and the bank balances consist of outstanding checks and deposits not processed by the banks as of June 30, 2024.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Wyoming statutes require the Town to collateralize bank deposits that exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). In addition, for collateral held by a custodian other than the Federal Reserve, an approved Joint Custody Receipt form must be properly executed to perfect the Town's interest in collateral pledged by depository financial institutions. The Town's Clerk monitors bank deposits to see that sufficient collateral is pledged to the Town. At June 30, 2024, the Town's various accounts were insured by the FDIC up to \$250,000 at each bank.

A summary of the total insured and collateralized bank balances at June 30, 2024 is as follows:

Insured by the FDIC	\$ 521,132
Collateralized with security held by pledging institution's trust department or correspondent bank under a joint custody receipt in the name of the Town and the financial institution.	<u>3,479,649</u>
Total combined bank deposits	<u>\$ 4,000,781</u>

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

7. Investments

As of June 30, 2024, the Town has the following investments.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of deposit	Various	\$ 1,181,334
Total investments		<u>\$ 1,181,334</u>

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates;

Credit Risk: The Town has no investment policy that would further limit its investment choices. As of June 30, 2024, the Town’s investments in certificates of deposits were 100% insured and collateralized under a joint custody receipt in the name of the Town and the financial institution;

Concentration of Credit Risk: The Town places no limit on the amount the Town may invest in any one issuer. More than five percent of the Town’s investments are in Wyoming-Class, Peaks Investment and Bank of Star Valley. At June 30, 2024, these investments represented 54.8%, 36.6% and 8.6% of the Town’s total investments, respectively.

8. Receivables

Receivables at June 30, 2024 consist of the following:

Taxes Receivable

During July and August 2024, the Town received payments from the Lincoln County Treasurer and the State of Wyoming for various taxes which were included in revenue for the year ended June 30, 2024. The total of all of these taxes at June 30, 2024 was \$413,724.

User Fees Receivable

The Water and Sewer Funds had a combined balance of \$393,841 of accounts receivable due from citizens and businesses in the community for water and sewer services provided through June 30, 2024. Because the Town has historically been very successful in collecting amounts owed for these services, the Town has recorded no allowance for uncollectible accounts for either of the Water and Sewer Funds at June 30, 2024.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

9. Capital Assets

Capital asset activity for the year ended June 30, 2024 is as follows:

Governmental activities:

	Balance June 30, 2023	Additions	Transfers	Disposals	Balance June 30, 2024
Buildings	\$ 6,991,894	\$ 68,435	\$ --	\$ --	\$ 7,060,329
Building improvements	337,811	--	--	--	337,811
Infrastructure	2,228,341	280,368	--	--	2,508,709
Furniture & fixtures	94,229	--	--	--	94,229
Equipment	1,381,380	18,023	--	--	1,399,403
Vehicles	<u>346,570</u>	<u>94,692</u>	<u>--</u>	<u>--</u>	<u>441,262</u>
Capital assets in service	11,380,225	461,518	--	--	11,841,743
Accumulated depreciation	<u>(3,911,796)</u>	<u>(419,365)</u>	<u>--</u>	<u>--</u>	<u>(4,331,161)</u>
	7,468,429	42,153	--	--	7,510,582
Land	<u>1,239,456</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,239,456</u>
	<u>\$ 8,707,885</u>	<u>\$ 42,153</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,750,038</u>

Depreciation expense for governmental activities has not been allocated to any of the District's individual functions. Rather, the District has included all depreciation related to governmental activities as a single line item on the Statement of Activities - District-Wide. Depreciation expense for the combined governmental activities was \$419,365 for the year ended June 30, 2024.

Business-type activities:

Water Fund:

	Balance June 30, 2023	Additions	Transfers	Disposals	Balance June 30, 2024
Water system	\$ 7,238,427	\$ --	\$ --	\$ --	\$ 7,238,427
Equipment	43,785	--	--	--	43,785
Vehicles	65,022	--	--	--	65,022
Accumulated depreciation	<u>(2,716,781)</u>	<u>(174,270)</u>	<u>--</u>	<u>--</u>	<u>(2,891,051)</u>
	4,630,453	(174,270)	--	--	4,456,183
Construction in progress	<u>26,586</u>	<u>85,783</u>	<u>--</u>	<u>--</u>	<u>112,369</u>
Total capital assets, net	<u>\$ 4,657,039</u>	<u>\$ (88,487)</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 4,568,552</u>

There was \$174,270 of depreciation expense recognized by the Water Fund for the year ended June 30, 2024.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

9. Capital Assets, Continued

Business-type activities:

Sewer Fund:

	Balance June 30, 2023	Additions	Transfers	Disposals	Balance June 30, 2024
Sewer system	\$14,597,480	\$ --	\$ --	\$ --	\$14,597,480
Equipment	<u>38,766</u>	<u>234,273</u>	<u>--</u>	<u>--</u>	<u>273,039</u>
Capital assets in service	14,636,246	234,273	--	--	14,870,519
Accumulated depreciation	<u>(6,980,069)</u>	<u>(586,436)</u>	<u>--</u>	<u>--</u>	<u>(7,566,505)</u>
	7,656,177	(352,163)	--	--	7,304,014
Land	473,736	--	--	--	473,736
Construction in progress	<u>1,694,610</u>	<u>1,700,373</u>	<u>--</u>	<u>--</u>	<u>3,394,983</u>
Total capital assets, net	<u>\$ 9,824,523</u>	<u>\$ 1,348,210</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 11,172,733</u>

There was \$586,436 of depreciation expense recognized by the Sewer Fund for the year ended June 30, 2024.

10. Financed Purchase Agreement

During 2014, the Town entered into a financed purchase agreement (“the agreement”) with the Melvin Brewing Company (MBC) for the sale of land that MBC desired for the expansion of its operations. The agreement, which had a beginning net present value of \$2,949,425, required MBC to make total annual payments of \$100,000 until such time as MBC’s lease liability was paid in full, at which time the land’s ownership would transfer to MBC. During 2023, the agreement was restructured to require total annual payments of \$151,832. At June 30, 2024, the Town’s balance related to this agreement of both the lease receivable and deferred revenue was \$2,097,783.

Future minimum lease payments receivable under this financed purchase agreement are as follows:

Year ending June 30,

2025	\$ 151,832
2026	151,832
2027	151,832
2028	151,832
2029	151,832
2030-2034	842,092
2035-2036	<u>496,531</u>
Total future direct financing lease payments due	2,097,783
Less amount due within one year	<u>(151,832)</u>
Amount due after one year	<u>\$1,945,951</u>

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

11. Long-Term Obligations

Governmental Activities:

As of June 30, 2024, the Town's long-term obligations, other than the net pension liability discussed in Note 10, consisted of accrued compensated absences and notes payables.

Notes Payable

The Town entered into several smaller loan agreements with the Bank of Star Valley and Glacier Bank for various loans including equipment, buildings, and a paving loan. Interest rates range from 3.19% - 5.25% and the principal balance on these notes was \$715,247 at June 30, 2024. Maturity dates are from 2025 to 2029.

Accrued Compensated Absences

No portion of accrued compensated absences was considered to be due and payable as of June 30, 2024. Accordingly, the Town has not recorded any amount of accrued compensated absences in the governmental fund financial statements.

A summary of changes in the Town's long-term obligations for the year ended June 30, 2024 is as follows:

Governmental Activities:

	Long-Term Obligations June 30, 2023	Long-Term Obligations Incurred	Long-Term Obligations Paid	Long-Term Obligations June 30, 2024	Due Within One Year
Accrued compensated absences	\$ 24,571	\$ 9,390	\$ (2,301)	\$ 31,660	\$ 15,830
Notes payable	<u>902,651</u>	<u>--</u>	<u>(187,404)</u>	<u>715,247</u>	<u>369,674</u>
Total	<u>\$ 927,222</u>	<u>\$ 9,390</u>	<u>\$ (189,705)</u>	<u>\$ 746,907</u>	<u>\$ 385,504</u>

The annual requirements to pay the above notes payable are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 369,674	\$ 19,979	\$ 389,653
2026	87,226	12,517	99,743
2027	90,260	9,463	99,723
2028	52,010	6,303	58,313
2029	53,960	4,353	58,313
2030	<u>62,117</u>	<u>2,329</u>	<u>64,446</u>
	<u>\$ 715,247</u>	<u>\$ 54,944</u>	<u>\$ 770,191</u>

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

11. Long-Term Obligations, Continued

Business-type Activities:

Notes Payable

During 2006, the Town entered into a loan agreement with the State Loan and Investment Board (SLIB) which allowed maximum borrowings of \$242,405, and possible principal forgiveness of up to 75% upon completion of the Wastewater Treatment Facility and prior to any principal repayments. The principal balance on this note was \$98,653 at June 30, 2024.

During 2006, the Town entered into a loan agreement with SLIB which allowed maximum borrowings of \$115,500, and possible principal forgiveness of up to 75% upon completion of the Well Rehabilitation and prior to any principal repayments. The principal balance on this note was \$53,175 at June 30, 2024.

During 2007, the Town entered into a loan agreement with SLIB which allowed maximum borrowings of \$3,193,166, and possible principal forgiveness of up to 75% upon completion of the Wastewater Treatment Facility Improvements and prior to any principal repayments. The principal balance on this note was \$2,228,224 at June 30, 2024.

During 2010, the Town entered into a loan agreement with SLIB which allowed maximum borrowings of \$102,072, and possible principal forgiveness of up to 75% upon completion of the Three Rivers Meadows Improvement and prior to any principal repayments. The principal balance on this note was \$46,911 at June 30, 2024.

During 2016, the Town entered into a loan agreement with Glacier Bank which allowed maximum borrowings of \$122,000. The principal balance on this note was \$40,784 at June 30, 2024.

A summary of changes in long-term obligations of the Business- type activities for the year ended June 30, 2024 is as follows:

	Long-Term Obligations June 30, 2023	Long-Term Obligations Incurred	Long-Term Obligations Paid	Long-Term Obligations June 30, 2024	Due Within One Year
Notes payable	<u>\$ 2,683,891</u>	<u>\$ --</u>	<u>\$ (216,144)</u>	<u>\$ 2,467,747</u>	<u>\$ 154,168</u>

The annual requirements to pay the above notes payable are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 154,168	\$ 61,975	\$ 216,143
2026	158,114	58,030	216,144
2027	162,253	53,984	216,237
2028	151,873	49,830	201,703
2029	155,670	46,033	201,703
2030-2034	762,540	171,339	933,879
2035-2039	783,816	77,168	860,984
2040	<u>139,313</u>	<u>3,483</u>	<u>142,796</u>
	<u>\$ 2,467,747</u>	<u>\$ 521,842</u>	<u>\$ 2,989,589</u>

12. Wyoming Retirement System Defined Benefit Plan

Plan Description

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

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

Pension Benefits

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

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

Tier 2 participants are those whose participation in the Plan and contributions to the Plan began on or after September 1, 2012. Tier 2 participants vest after 48 months of service, with eligibility, for full retirement benefits upon attaining age 65 or meeting the “rule of 85,” which requires the participants’ age and years of service to equal or exceed 85. Early retirement is allowed,

provided the employee has completed four years of service and attained age 55, or 25 or more years of service, but will result in a reduction of benefits based on the length of time remaining to age 65. Tier 2 benefits are calculated with a 2.00% multiplier rate for all years of service using the highest average salary for 60 continuous months.

The Plan provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted by the State Legislature. In addition, a cost of living adjustment (COLA) will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

12. Wyoming Retirement System Defined Benefit Plan, Continued

Member and Employer Contributions

The Plan statutorily requires 18.62% of the participant's salary to be contributed to the Plan; the Town is required to contribute a minimum of 9.37% of the employee's salary. The Town can, however, elect to contribute more than the required amount. Through June 30, 2024, the Town has elected to contribute all employee portions of the retirement contribution to the Public Employees Plan.

The Town's employer contributions required and paid were \$60,487, \$51,010, and \$37,657 for the years ended June 30, 2024, 2023, and 2022, respectively.

At June 30, 2024, the Town reported a liability of \$725,620 for its proportionate share of the net pension liability. It is the opinion of the Town's management that any liability in excess of the required contributions would be paid by the General Fund. Therefore, the entire liability is included within governmental activities. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023. The Town's proportion of the net pension liability was based on the Town's share of contributions to the Plan relative to the total contributions of all participating Plan members, actuarially determined. At December 31, 2023, the Town's proportionate allocation was 0.003196310%.

For the year ended June 30, 2024, the Town recognized net pension expense of \$67,787.

At June 30, 2024, the Town 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
Contributions made subsequent to the measurement date	\$ 27,419	\$ --
Net difference between projected and actual earnings on investments	--	25,721
Changes of assumptions	7,448	--
Net difference between expected and actual experience	14,019	3,170
Change in proportionate share of the net pension liability	<u>194,925</u>	<u>--</u>
Total	<u>\$ 243,811</u>	<u>\$ 28,891</u>

The amount reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as pension expense and a reduction of the net pension liability in the year ending June 30, 2025.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

12. Wyoming Retirement System Defined Benefit Plan, Continued

Member and Employer Contributions, Continued

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

<u>Year Ending June 30,</u>	
2025	\$ 85,811
2026	59,253
2027	77,963
2028	<u>(35,526)</u>
	<u>\$ 187,501</u>

The average of the expected remaining service lives of all employees that are provided with pensions through the Plan (active and inactive employees), determined at January 1, 2023, the beginning of the measurement period ended December 31, 2023, is 3.6117 years.

Actuarial Assumptions

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

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases, including inflation	2.50 – 6.50%, including inflation
Payroll growth rate	2.50%
Investment rate of return	6.80%, net of investment expenses

Mortality rates were based on the Pub-2010 General Employee Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale with the following healthy pre-retirement mortality offsets:

- Males: no setback with a 100% multiplier
- Females: no setback with a 100% multiplier

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

12. Wyoming Retirement System Defined Benefit Plan, Continued

Actuarial Assumptions, Continued

Mortality rates were based on the Pub-2010 General Healthy Annuitant Mortality Table, amount weighted, fully generational, projected with the MP-2020 Ultimate Scale with the following healthy pre-retirement mortality offsets:

- Males: no setback with a 100% multiplier
- Females: no setback with a 103% multiplier

The assumed rate of investment return was adopted by the Plan's trustees after considering input from the Plan's investment consultant and actuary. Additional information about the assumed rate of investment return was included in the Plan's actuarial valuation report as of January 1, 2023. In addition, a five-year experience study was completed as of December 31, 2020 that provided a detailed analysis regarding recommendations on the long-term rates for inflation and the real rate of return. The assumed rate of investment return of 6.80% (real return net of inflation of 4.55%) falls within a reasonable range of the long-term rate of return.

The long-term expected rate of return on pension plan investments was determined using the building-block approach and a forward-looking model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of real rates of return for each major asset as of January 1, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
Cash	0.50%	-0.30%	-0.30%
Gold	1.50%	2.13%	0.70%
Fixed income	20.00%	3.38%	3.80%
Equity	51.50%	6.52%	8.20%
Marketable alternatives	16.00%	4.39%	5.23%
Private real assets	<u>10.50%</u>	5.97%	7.48%
Total	<u>100.00%</u>		

Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the Plan's fiduciary net position is projected to be sufficient to pay benefits using a 100-year analysis) and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For purposes of this valuation, the expected rate of return on pension plan investments is 6.80% and the municipal bond rate is 3.77%.

12. Wyoming Retirement System Defined Benefit Plan, Continued

Discount Rate, Continued

The projection of cash flows used to determine the rate assumed that plan member contributions and employer contributions will be made at the current contribution rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town’s Proportionate Share of the Net Pension Liability

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Town’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 Rate (6.80%)	1% Increase (7.80%)
Town’s proportionate share of the net pension liability	\$ 1,152,309	\$ 725,620	\$ 372,024

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued WRS Plan financial report.

A copy of the Plan’s financial statements may be obtained by contacting the Wyoming Retirement System at 6101 Yellowstone Road, Suite 500, Cheyenne, WY 82002 or on the Plan website at <http://retirement.state.wy.us>.

Payables to the Pension Plan

The Town reported no amounts owing to the Plan for legally required employer contributions or employee contributions which had been withheld from employee wages but not yet remitted to the Plan at June 30, 2024.

Town of Alpine, Wyoming
Notes to Financial Statements
June 30, 2024

13. Commitments and Contingencies

Insurance

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. Settlements did not exceed coverage during 2024, or any of the past three years.

Litigation

The Town is occasionally named as a defendant in lawsuits arising principally in the normal course of operations. In the opinion of the Town's administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying town-wide financial statements and, accordingly, no provision for loss has been recorded. The Town's management is not aware of any significant pending or threatened litigation at June 30, 2024.

Grant Programs

The Town receives financial assistance from federal and state governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the Town's independent auditors and other governmental auditors. Therefore, to the extent that the Town has not complied with the terms and conditions governing the grants, refunds of any money received may be required, and the collectability of any related receivables at June 30, 2024 may be impaired. Based on prior experience, the Town's administration believes such amounts, if any, would be immaterial.

Required Supplementary Information

Town of Alpine, Wyoming
Budgetary Comparison Schedule for the General Fund
Year Ended June 30, 2024

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ 147,000	\$ 147,000	\$ 205,980	\$ -	\$ 58,980
Sales and use taxes	1,456,500	1,456,500	1,486,527	-	30,027
Court fines	1,500	1,500	1,575	-	75
Town fees and permits	117,800	117,800	155,731	-	37,931
Other local income	436,000	436,000	485,879	-	49,879
Facility rentals	200,000	200,000	222,672	-	22,672
Recreation income	24,700	24,700	18,893	-	(5,807)
Grants	747,000	747,000	263,982	-	(483,018)
Donations	35,000	35,000	23,000	-	(12,000)
Interest income	63,000	63,000	79,534	-	16,534
Total revenues	3,228,500	3,228,500	2,943,773	-	(284,727)
Expenditures:					
Administration	697,850	697,850	743,275	-	(45,425)
Court	11,550	11,550	8,286	-	3,264
Police	97,800	97,800	89,720	-	8,080
Tourism	40,550	40,550	37,492	-	3,058
Parks	99,750	99,750	97,110	-	2,640
Streets	260,500	260,500	227,394	-	33,106
Maintenance	343,300	343,300	278,462	-	64,838
Capital expenditures	400,000	400,000	249,629	-	150,371
Debt Service	230,000	230,000	210,220	-	19,780
Community support	97,150	97,150	106,480	-	(9,330)
Total expenditures	2,278,450	2,278,450	2,048,068	-	230,382
Excess of revenues over expenditures	950,050	950,050	895,705	-	(54,345)
Total fund balance, beginning of year	1,334,113	1,334,113	1,334,113	-	-
Total fund balance, end of year	\$ 2,284,163	\$ 2,284,163	\$ 2,229,818	\$ -	\$ (54,345)

Town of Alpine, Wyoming
Notes to Budgetary Comparison Schedule
June 30, 2024

1. Basis of Presentation

The actual column of the budgetary comparison schedule has been populated with amounts prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the Governmental Fund financial statements. Under the modified accrual basis, revenues and expenditures are recognized when they are incurred. The modified accrual basis of accounting and the account groupings reflected in the Governmental Fund financial statements differ from the cash basis presentation and account groupings required by Wyoming Statutes for Town Council's budgetary control. Under the cash basis, revenues and expenditures are recorded when they are received or paid. This results in differences between when revenues and expenditures are recognized in the governmental fund financial statements and when they are budgeted.

2. Budgetary Compliance

The modified accrual basis of accounting and the account groupings reflected in the governmental fund financial statements differ from the presentation and account groupings required by Wyoming Statutes for Town Council's budgetary control at the functional level, as described in Note 4 to the Financial Statements. As a result, although the budgetary comparison schedule at page 33 may disclose instances in which actual expenditures exceeded budgeted expenditures, there were no instances in which actual expenditures exceeded budgeted expenditures at the functional levels required by Wyoming Statutes.

Town of Alpine, Wyoming
Schedule of Employer's Share of the Net Pension Liability - WRS Public
Employees Pension Plan
Last 10 Fiscal Years*

Fiscal Year	Employer's Portion of NPL	Employer's Proportionate Share of NPL (a)	Employer's Covered Employee Payroll (b)	Employer's NPL as a Percentage of Covered Payroll (a / b)	Plan Net Position as a Percentage of Total Pension Liability
2022	0.001802840%	274,843	478,114	57.48%	86.03%
2023	0.002492440%	681,138	544,400	125.12%	75.47%
2024	0.003196310%	725,620	642,885	112.87%	80.19%

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

Data reported is measured as of December 31 of each respective fiscal year.

Town of Alpine, Wyoming
Schedule of Employer Contributions - WRS Public Employees Pension Plan
Last 10 Fiscal Years*

Fiscal Year	Statutorily Required Contribution (a)	Actual Employer Contribution (b)	Contribution Excess (Deficiency) (b - a)	Employer's Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b / c)
2022	37,657	37,657	-	401,890	9.37%
2023	51,010	51,010	-	544,400	9.37%
2024	60,487	60,487	-	645,542	9.37%

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

Data reported is measured as of June 30 of each respective fiscal year.

Town of Alpine, Wyoming
Notes to WRS Public Employees Pension Plan Schedules
June 30, 2024

1. Changes of Benefit Terms

There were no changes in benefit terms during the Plan year ended December 31, 2023.

2. Changes of Composition of the Population

There were no changes in the composition of the population during the Plan year ended December 31, 2023.

3. Changes in Assumptions

The assumptions used were adopted at the Plan's Board of Trustees November 17, 2021 and the February 17, 2022 meetings and were first utilized with the actuarial valuation report for the year beginning January 1, 2021. There have been no changes to the assumptions or methods since the prior actuarial valuation.

Compliance Report

**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 Mayor and
Members of the Town Council
Town of Alpine, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Alpine, Wyoming ("the Town"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 30, 2025.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 2024-001, that we consider to be a significant deficiency.

Compliance and Other Matters

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

The Town's Response to the Finding

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

Purpose of this Report

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

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

September 30, 2025

Town of Alpine, Wyoming
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass- Through Grantor's Number	Expenditures
U.S. Department of Treasury			
Passed Through Wyoming Office of State Lands and Investments:			
ARPA - Pretreatment	21.027	ARPA-1068	\$ 750,000
ARPA - Radio Read Grant	21.027	LG-1098	<u>64,425</u>
Total WY Office of State Lands and Investments			<u>814,425</u>
Total U.S. Department of Treasury			<u><u>\$ 814,425</u></u>

Town of Alpine, Wyoming
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Alpine, Wyoming ("the Town") and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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).

2. Indirect Cost Rate

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

**Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control over Compliance Required by the Uniform Guidance**

Honorable Mayor and
Members of the Town Council
Town of Alpine, Wyoming

Report on Compliance for Each Major Federal Program

We have audited the Town of Alpine, Wyoming's ("the Town") compliance with the requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Town 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 Town'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 Town'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 Town'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 generally accepted auditing standards, *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 Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Town'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 Town'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 Town'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 sole purpose of this report on internal control over compliance is 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.

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

September 30, 2025

Town of Alpine, Wyoming
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section I – Summary of 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 (Note 2): Unmodified

Internal control over financial reporting:

- | | | |
|---|---|--|
| • Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| • Significant deficiency(ies) identified? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> None reported |

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

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

Internal control over major programs:

- | | | |
|---|------------------------------|---|
| • Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| • Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.5166(a): ☐ Yes ☒ No

Identification of Major Programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
21.027	ARPA- Pretreatment

The dollar threshold used to distinguish type A and B programs was \$750,000.

The auditee qualified as a low-risk auditee? ☐ Yes ☒ No

Town of Alpine, Wyoming
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024

Section II – Financial Statement Findings:

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

Finding 2024-001

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

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings (significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs) related to federal awards that are required to be reported in accordance with the Uniform Guidance.

There were no findings in the current year.