



**ALBANY COUNTY SCHOOL DISTRICT NO. 1  
ALBANY COUNTY, WYOMING**

**FINANCIAL AND COMPLIANCE REPORT**

**June 30, 2013**

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**Albany County School District #1  
Management Discussion and Analysis  
Fiscal Year 2012-2013**

This section of the Albany County School District #1 annual financial report presents its discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2013. Please read it in conjunction with the district's financial statements, which immediately follow this section.

**Financial Highlights**

- General Fund Revenues increased by \$1.2 million due primarily due to increased ADM, Transportation and Special Education Reimbursement in the State foundation formula.
- Average Daily Membership (ADM) increased by 24.8 students in 2012-2013.
- The Snowy Range Academy Charter School (SRA) is in its eleventh year of operation. The Montessori Charter School completed its second year of operation which resulted in the one-time charter school adjustment. The District transferred \$2.6 million to the two charter schools for the fiscal year.

**Overview of the Financial Statements**

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

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the district's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the district, reporting the district's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the district operates *like businesses*, such as food services.
- *Fiduciary funds* statements provide information about the financial relationships in which the district acts solely as a *trustee or agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year.

The following table summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

	District Wide Statements	Governmental	Proprietary	Fiduciary
Scope	Entire district (except fiduciary funds).	The activity of the district that is not proprietary or fiduciary, such as instructional, support services and community services.	Activities the district operates similar to private business.	Assets held by the district on behalf of someone else. Student and other organizations that have funds on deposit.
Required Financial Statements	Statement of net position and Statement of activities.	Balance sheet and Statement of revenues, expenditures and changes in fund balance.	Statement of net position and statement of revenues, expenses and changes in net position and statement of cash flows.	Statement of fiduciary net position and Statement of changes in fiduciary net position.
Basis of Accounting and measurement focus	Accrual Accounting Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual Accounting. Economic resources focus.	Accrual Accounting. Economic resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities financial and capital; short-term and long-term.	All assets and liabilities, financial and capital; short-term and long-term.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received and paid.

### **District-wide Statements**

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

The two district-wide statements report the district's *net position* and how they have changed. A net position – the difference between the district's assets and liabilities – is one way to measure the district's financial health or *position*.

- Over time, increases or decreases in the district's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider additional factors such as changes in the school finance system and the Albany County assessed valuation.

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

- *Governmental activities*: Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The district charges fees to help it cover the costs of certain services it provides. The district's food service fund is included here.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The district has three kinds of funds:

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

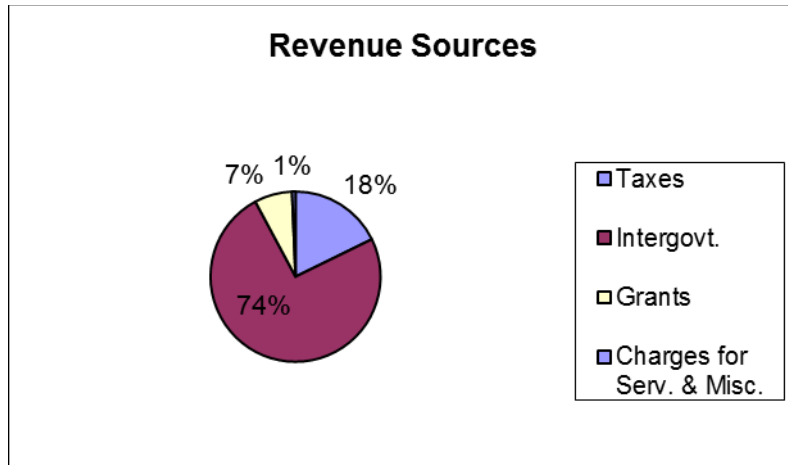
- internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities.
- *Fiduciary funds*: The district is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that those to whom the assets belong use only for their intended purposes and the assets reported in these funds. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

### Financial Analysis of the District as a Whole

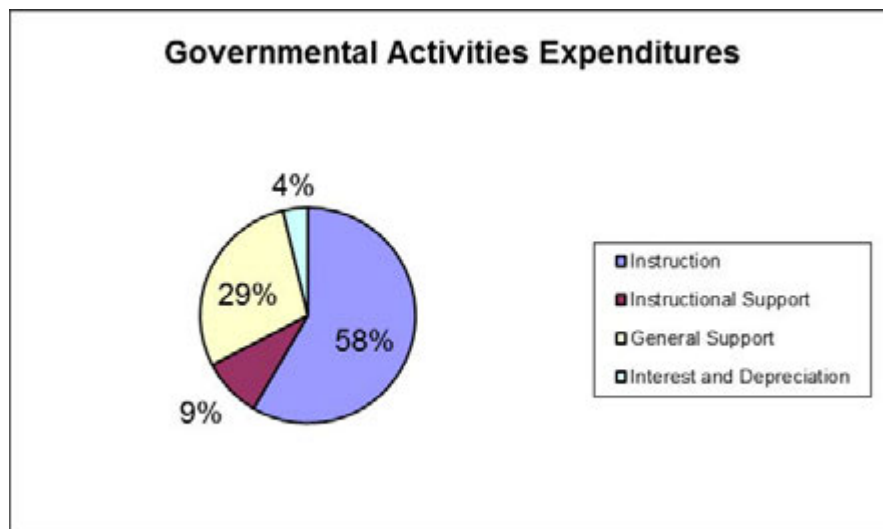
**Governmental Activities.** The district's total assets increased for the fiscal year ended June 30, 2013 by 9 percent to \$44.5 million due primarily to the purchase of 53 acres of land for the future New Laramie High School and related design costs plus the capitalization of major maintenance projects for existing buildings.

#### Changes in Net Assets (In Thousands)

	<b>Governmental Activities</b>		<b>Business Type Activities</b>		<b>Total Primary Government</b>	
	<u>FY12</u>	<u>FY13</u>	<u>FY12</u>	<u>FY13</u>	<u>FY12</u>	<u>FY13</u>
<b>Revenues</b>						
Operating Grants and Contributions	\$ 6,304	\$ 3,962	\$ 994	\$ 875	\$ 7,298	\$ 4,837
Charges for Services	41	42	707	787	748	829
Property Taxes	10,931	11,343	-	-	10,931	11,343
Debt Service	-	-	-	-	-	-
Unrestricted State and Federal Aid	43,607	47,529	-	-	43,607	47,529
Investment Income	69	25	-	-	69	25
Miscellaneous	291	390	-	-	291	390
<b>Total Revenues</b>	<u>56,407</u>	<u>63,291</u>	<u>1,701</u>	<u>1,662</u>	<u>62,944</u>	<u>64,953</u>
<b>Expenses</b>						
Instruction	35,288	35,121	-	-	35,288	35,121
Instructional Support	4,947	5,396	-	-	4,947	5,396
Admin. & General Support	16,400	17,209	-	-	16,400	17,209
Buildings & Grounds	243	388	-	-	243	388
Depreciation-unallocated	1,966	2,240	-	-	1,966	2,240
Internal Service	-	-	-	-	-	-
Food Services	-	-	1,701	1,662	1,701	1,662
<b>Total Expenses</b>	<u>58,844</u>	<u>60,354</u>	<u>1,701</u>	<u>1,662</u>	<u>60,545</u>	<u>62,016</u>
Change in Net Position	2,399	2,937	-	-	2,399	2,937
Net Position – Beginning of year	<u>36,012</u>	<u>38,411</u>	-	-	<u>36,012</u>	<u>38,411</u>
Net Position - EOY	<u>\$ 38,411</u>	<u>\$ 41,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,411</u>	<u>\$ 41,348</u>



- The cost of all *governmental* activities this year was \$60.3 million an increase of \$1.4 million primarily due to increases in salaries and benefits for employees and the purchase of land and design of the New Laramie High School. A small portion of the cost was financed by the users of the district's programs (\$42 thousand).
- The federal and state governments subsidized certain programs with grants and contributions (\$4.0 million).
- Most of the district's costs (\$60.3 million) were financed by district and state taxpayers.
- This portion of governmental activities was financed with \$47.5 million of unrestricted state aid based on the statewide education aid formula and \$11.3 million in property taxes and investment income.



**Business Type Activities.** Business Type Activities consist of the internal service fund for the food service fund.

- The food service fund ended the year with a total loss of \$245 thousand dollars.



## **Component Unit**

- A component unit is a separately presented entity that functions semi-autonomously from the governing organization. The School District Board of Trustees has ultimate governing responsibility for the Snowy Range Academy Charter School (SRA) and the Laramie Montessori Charter School (LMS) but has negotiated contracts that delegates day-to-day operations to the SRA and LMS Charter School Boards.
- The SRA is in its eleventh year of operation with an end of year Average Daily Membership (ADM) of 167.617; LMS is in its second year of operation with an end of year ADM of 61.480; the District transferred a total of \$2.6 million to both charter schools during the fiscal year.
- The School District and the LMS negotiated a five-year contract through July 31, 2016 for operation of K-6 Montessori Charter School.
- The School District and the SRA negotiated a five-year renewal of the charter school contract through July 31, 2018 which includes an eventual expansion to 12<sup>th</sup> grade.
- Due to the unique nature of the funding for charter schools, the revenues and expenditures for the Charter Schools are displayed as a component unit.
- The revenues for the SRA and LMS included grant funds and contributions.

## **Governmental Funds Budgetary Highlights**

The district made the following revisions to the annual operating budget:

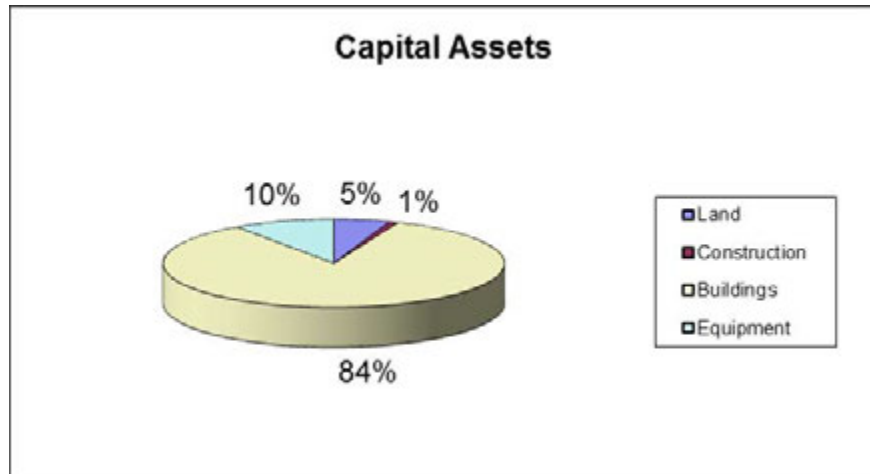
- The general fund budget was increased by \$1.4 million.
- The special revenue budget was increased by \$29 thousand.

## **Capital Asset and Debt Administration**

### **Capital Assets**

By the end of the 2013 fiscal year, the district had invested \$35 million in a broad range of capital assets, including land, school buildings, athletic facilities, buses and school equipment.

- Capital assets equal 78 percent of total assets.
- Cash and investments equal 20 percent of total assets.
- Receivables and inventory make up 2 percent of total assets.



### **Long-Term Debt**

At year-end, the district had \$1.2 million in long-term debt outstanding in the form of vehicle leases (more detailed information about the district’s long-term liabilities is presented in Note 5 to the financial statements).

### **Factors Bearing on the District’s Future**

At the time these financial statements were prepared and audited, the district was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The School Facilities Commission has approved \$62.8 million for the construction budget of the New Laramie High School.
- The District passed a \$25 million dollar bond issue to pay for enhancements to the New Laramie High School. The first \$9 million of this issue was sold in July 2013; a second sale for the remaining \$16 million is scheduled for January of 2014.
- The Legislature did not approve an inflation increase to the funding model in the 2013 legislative session; and health insurance funding was reduced by 5%. However, because of increasing ADM, special education reimbursement and transportation funding, the District received a \$624 thousand dollar increase in funding. The School Board was able to give salary and benefit increases and approve a balanced budget for the 2013-2014 fiscal year.

### **Contacting the District’s Financial Management**

This financial report is designed to provide the district’s citizens, taxpayers, customers, and investors and creditors with a general overview of the district’s finances and to demonstrate the district’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Manager’s Office, Albany County School District #1, 1948 Grand Avenue Laramie, Wyoming 82070.



## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Albany County School District No. 1  
Laramie, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Albany County School District No. 1 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Albany County School District No. 1's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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307-755-1040 | fax 307-742-4944

505 South 3rd Street, Suite 100 | Laramie, WY 82070

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Albany County School District No. 1, as of June 30, 2013, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 35 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Albany County School District No. 1's basic financial statements. The supplementary information included on pages 40 through 46 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2013, on our consideration of the Albany County School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Albany County School District No. 1's internal control over financial reporting and compliance.

*Madee Tschacher Peterson + Co, LLC*

Laramie, Wyoming  
November 13, 2013

## ALBANY COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET POSITION**

June 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and investments	\$ 8,756,069	\$ -	\$ 8,756,069	\$ 697,661
Taxes receivable	518,496	-	518,496	-
Due from other funds	127,243	-	127,243	-
Inventory	154,623	18,765	173,388	-
Total current assets	<u>9,556,431</u>	<u>18,765</u>	<u>9,575,196</u>	<u>697,661</u>
<b>NON-CURRENT ASSETS</b>				
Construction in progress	536,082	-	536,082	-
Land	3,418,816	27,000	3,445,816	-
Buildings and improvements	54,190,259	203,957	54,394,216	1,818,698
Equipment	6,203,804	264,164	6,467,968	-
Accumulated depreciation	<u>(29,384,477)</u>	<u>(306,959)</u>	<u>(29,691,436)</u>	<u>(940,443)</u>
Net capital assets	<u>34,964,484</u>	<u>188,162</u>	<u>35,152,646</u>	<u>878,255</u>
Total non-current assets	<u>34,964,484</u>	<u>188,162</u>	<u>35,152,646</u>	<u>878,255</u>
Total Assets	<u>\$ 44,520,915</u>	<u>\$ 206,927</u>	<u>\$ 44,727,842</u>	<u>\$ 1,575,916</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 1,231,347	\$ 148,333	\$ 1,379,680	\$ 71,367
Accrued expenses	119,291	300	119,591	-
Due to other funds	-	58,294	58,294	-
Accrued vacation and sick leave	608,640	-	608,640	-
Current portion of long-term obligations	<u>478,932</u>	<u>-</u>	<u>478,932</u>	<u>13,548</u>
Total current liabilities	<u>2,438,210</u>	<u>206,927</u>	<u>2,645,137</u>	<u>84,915</u>

(Continued)

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET POSITION**

June 30, 2013

(Continued)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
<b>NON-CURRENT LIABILITIES</b>				
Non-current portion of long-term leases	733,962	-	733,962	193,244
Total non-current liabilities	<u>733,962</u>	<u>-</u>	<u>733,962</u>	<u>193,244</u>
 Total Liabilities	 <u>\$ 3,172,172</u>	 <u>\$ 206,927</u>	 <u>\$ 3,379,099</u>	 <u>\$ 278,159</u>
 <b>NET POSITION</b>				
Net investment in capital assets	\$ 34,964,484	\$ 188,162	\$ 35,152,646	\$ 878,255
Restricted for:				
Debt service	199,025	-	199,025	-
Unrestricted	<u>6,185,234</u>	<u>(188,162)</u>	<u>5,997,072</u>	<u>419,502</u>
 Total Net Position	 <u>41,348,743</u>	 <u>-</u>	 <u>41,348,743</u>	 <u>1,297,757</u>
 Total Liabilities and Net Position	 <u>\$ 44,520,915</u>	 <u>\$ 206,927</u>	 <u>\$ 44,727,842</u>	 <u>\$ 1,575,916</u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental activities			
Instruction	\$ 35,120,697	\$ 42,573	\$ 3,070,949
Instructional support	5,395,999	-	792,503
Administration and general	17,208,833	-	99,063
Buildings and grounds	388,079	-	-
Depreciation - unallocated	2,240,134	-	-
Total governmental activities	<u>60,353,742</u>	<u>42,573</u>	<u>3,962,515</u>
Business-type activities			
Food Services	<u>1,662,056</u>	<u>786,754</u>	<u>875,302</u>
Total primary government	<u>\$ 62,015,798</u>	<u>\$ 829,327</u>	<u>\$ 4,837,817</u>
Component Units	<u>\$ 2,959,676</u>	<u>\$ 8,402</u>	<u>\$ 147,550</u>
General Revenues			
Taxes			
Property taxes:			
General purposes			
Debt service			
Other			
State and federal aids not restricted to specific functions:			
General			
Investment income			
Miscellaneous			
Total general revenues			
Change in net position			
Net position - beginning of year			
Net position - end of year			

See Notes to Financial Statements.



Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-type Activities	Total	Component Units
\$ (32,007,175)		\$ (32,007,175)	
(4,603,496)		(4,603,496)	
(17,109,770)		(17,109,770)	
(388,079)		(388,079)	
<u>(2,240,134)</u>		<u>(2,240,134)</u>	
<u>(56,348,654)</u>		<u>(56,348,654)</u>	
-	-	-	
<u>\$ (56,348,654)</u>	<u>\$ -</u>	<u>\$ (56,348,654)</u>	<u>\$ (2,803,724)</u>
\$ 11,342,855	\$ -	\$ 11,342,855	\$ -
(910)	-	(910)	-
-	-	-	2,844,933
47,529,633	-	47,529,633	-
24,971	-	24,971	1,642
<u>390,035</u>	<u>-</u>	<u>390,035</u>	<u>156,699</u>
<u>59,286,584</u>	<u>-</u>	<u>59,286,584</u>	<u>3,003,274</u>
2,937,930	-	2,937,930	199,550
<u>38,410,813</u>	<u>-</u>	<u>38,410,813</u>	<u>1,098,207</u>
<u>\$ 41,348,743</u>	<u>\$ -</u>	<u>\$ 41,348,743</u>	<u>\$ 1,297,757</u>

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

June 30, 2013

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,255,492	\$ -	\$ 201,483	\$ 2,299,094	\$ 8,756,069
Property taxes receivable	516,026	-	2,470	-	518,496
Interfund	1,037,088	-	130,590	219,105	1,386,783
Inventories - supplies and materials	154,623	-	-	-	154,623
<b>Total Assets</b>	<u>\$ 7,963,229</u>	<u>\$ -</u>	<u>\$ 334,543</u>	<u>\$ 2,518,199</u>	<u>\$ 10,815,971</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 461,532	\$ 35,326	\$ -	\$ 734,488	\$ 1,231,346
Accrued expenses	168,843	-	-	-	168,843
Deferred tax revenue	334,779	-	2,458	-	337,237
Due to other funds	-	1,259,541	-	-	1,259,541
<b>Total Liabilities</b>	<u>965,154</u>	<u>1,294,867</u>	<u>2,458</u>	<u>734,488</u>	<u>2,996,967</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Property taxes receivable	516,026	-	2,470	-	518,496
Interfund	1,037,088	-	130,590	-	1,167,678
Inventories	154,623	-	-	-	154,623
<b>Spendable:</b>					
Restricted	-	(1,294,867)	199,025	-	(1,095,842)
Assigned	662,358	-	-	1,783,711	2,446,069
Unassigned	4,627,980	-	-	-	4,627,980
<b>Total Fund Balances</b>	<u>6,998,075</u>	<u>(1,294,867)</u>	<u>332,085</u>	<u>1,783,711</u>	<u>7,819,004</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,963,229</u>	<u>\$ -</u>	<u>\$ 334,543</u>	<u>\$ 2,518,199</u>	<u>\$ 10,815,971</u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

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

June 30, 2013

**Total fund balances - governmental funds** \$ 7,819,004

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$64,348,961 and the accumulated depreciation is \$29,384,477. 34,964,484

Property taxes receivable will be collected this year but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 337,237

Accrued vacation and sick leave is reported in the funds as the current liability for the sixty days following the year end. The total amount of accrued vacation and sick pay is reported in the statement of net assets. 49,552

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Capital leases payable	1,212,894	
Accrued vacation and sick leave	<u>608,640</u>	<u>(1,821,534)</u>

**Total net position - governmental activities** \$ 41,348,743

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – ALL GOVERNMENTAL FUND TYPES**

For the Year Ended June 30, 2013

	Governmental Fund Types				Total
	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
Revenue:					
Taxes	\$ 11,310,431	\$ -	\$ 13	\$ -	\$ 11,310,444
Intergovernmental	42,163,596	3,962,515	-	5,370,087	51,496,198
Charges for service	42,573	-	-	-	42,573
Miscellaneous	419,907	-	152	-	420,059
Total revenue	<u>53,936,507</u>	<u>3,962,515</u>	<u>165</u>	<u>5,370,087</u>	<u>63,269,274</u>
Expenditures:					
Current:					
Instruction	30,640,124	4,065,741	-	-	34,705,865
Instructional support	4,743,674	308,417	-	-	5,052,091
General support	14,018,484	178,770	-	-	14,197,254
Capital outlay	1,509,470	59,349	-	5,324,394	6,893,213
Total expenditures	<u>50,911,752</u>	<u>4,612,277</u>	<u>-</u>	<u>5,324,394</u>	<u>60,848,423</u>
Revenue over expenditures	3,024,755	(649,762)	165	45,693	2,420,851
Other financing sources (uses):					
Operating transfers in (out)	<u>(2,893,579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,893,579)</u>
Total other financing sources (uses)	<u>(2,893,579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,893,579)</u>
Revenue and other financing sources over expenditures and other financing sources (uses)	131,176	(649,762)	165	45,693	(472,728)
Fund balance, beginning	<u>6,866,899</u>	<u>(645,105)</u>	<u>331,920</u>	<u>1,738,018</u>	<u>8,291,732</u>
Fund balance, ending	<u>\$ 6,998,075</u>	<u>\$ (1,294,867)</u>	<u>\$ 332,085</u>	<u>\$ 1,783,711</u>	<u>\$ 7,819,004</u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2013

**Total net change in fund balances - governmental funds** \$ (472,728)

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

Capital outlays are reported in governmental funds as expenditures.

However in the statement of activities, the cost of those assets is  
allocated over their estimated useful lives as depreciation expense.

Expenditures for capital assets	5,228,190	
Less current year depreciation	<u>(2,240,134)</u>	2,988,056

Some revenue reported in the statement of activities do not provide  
current financial resources and therefore are not reported as  
revenue in governmental funds.

Change in property taxes receivable		31,502
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Some expenses reported in the statement of activities do not provide  
current financial resources and therefore are not reported as  
expenditures in governmental funds.

Change in long-term compensated absences		3,130
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Capital lease proceeds provide current resources to governmental  
funds, but issuing debt increases long-term debt liabilities in the  
statement of net assets. Repayment of loan principal is an  
expenditure in the governmental funds, but the repayment reduces  
long-term liabilities in the statement of net assets. This is the  
amount by which proceeds exceed repayments.

Capital lease proceeds	(148,980)	
Capital lease principal payment	<u>536,950</u>	<u>387,970</u>

**Change in net position of governmental activities** \$ 2,937,930

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2013

	<u>Enterprise Fund</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Due from other funds	\$ -
Inventory	18,765
Total current assets	<u>18,765</u>
<b>NONCURRENT ASSETS</b>	
Land	27,000
Buildings and improvements	203,957
Equipment	264,164
Accumulated depreciation	<u>(306,959)</u>
Net capital assets	<u>188,162</u>
Total noncurrent assets	<u>188,162</u>
Total Assets	<u><u>\$ 206,927</u></u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 148,333
Accrued expenses	300
Due to other funds	<u>58,294</u>
Total current liabilities	<u>206,927</u>
<b>NET POSITION</b>	
Net investment in capital assets	188,162
Unrestricted	<u>(188,162)</u>
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u><u>\$ 206,927</u></u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2013

	Enterprise Fund
Operating revenues:	
Meal sales	\$ 786,754
Total operating revenues	<u>786,754</u>
Operating expenses:	
Salaries	555,170
Employee benefits	198,061
Food	666,416
Supplies and materials	71,432
Depreciation	8,394
Travel	760
Miscellaneous	161,823
Total operating expenses	<u>1,662,056</u>
Operating (loss)	(875,302)
Non-operating revenue:	
Federal grants	<u>629,791</u>
Total non-operating revenue	<u>629,791</u>
Income (loss) before operating transfers	(245,511)
Operating transfers in	<u>245,511</u>
Change in net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u>\$ -</u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended June 30, 2013

	Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from user charges	\$ 786,754
Payments to employees for services	(752,931)
Payments to suppliers for goods and services	<u>(641,790)</u>
Net cash from operating activities	<u>(607,967)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of building improvements	<u>(21,824)</u>
Net cash from investing financing	<u>(21,824)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Federal grants	<u>629,791</u>
Net cash from non-capital financing	<u>629,791</u>
Net change in cash and cash equivalents	-
Cash and cash equivalents	
Beginning	<u>-</u>
Ending	<u><u>\$ -</u></u>
Reconciliation of operating loss to net cash from operating activities:	
Operating loss	\$ (875,302)
Adjustments to reconcile loss from operations to net cash from operating activities:	
Depreciation	8,394
(Increase) decrease in:	
Inventory	1,302
Increase (decrease) in:	
Due to other funds	222,398
Accrued expenses	300
Accounts payable	<u>34,941</u>
Net cash from operating activities	<u><u>\$ (607,967)</u></u>

See Notes to Financial Statements.



ALBANY COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS**

June 30, 2013

ASSETS

Cash	\$ <u>395,458</u>
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Total Assets	\$ <u><u>395,458</u></u>
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LIABILITIES

Due to student groups	\$ <u>395,458</u>
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Total Liabilities	\$ <u><u>395,458</u></u>
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See Notes to Financial Statements.

# ALBANY COUNTY SCHOOL DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Nature of Operations, Reporting Entity, Description of Funds and Account Groups, and Significant Accounting Policies

The Albany County School District No. 1 provides a broad range of educational services to the youth and adults of Albany County, Wyoming.

The financial statements of Albany County School District No. 1 (the District) have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principals. The more significant of these accounting policies are as follows:

#### Reporting Entity

The financial statements of Albany County School District No.1 include all of the funds for Albany County School District No.1. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the school's financial accountability. The criteria used to evaluate component units for inclusion as part of the school's reporting entity are financial accountability and the nature and significance of the relationship.

The component unit discussed below is included in the reporting entity because of the significance of their operational and financial relationship with Albany County School District No.1.

Discretely presented component units – The component units column in the government-wide financial statements included the financial data of the other component units of Albany County School District No.1. They are reported in a separate column. The following is a summary of the component units.

Snowy Range Academy and Laramie Montessori School are legally separate not-for-profit corporations served by a Board of Trustees. The schools are responsible for the development of curriculum, hiring and firing of staff, budget adoption, authorization of expenditures, and the financing of deficits. Transportation is provided by the District, and the schools may participate in the health insurance plan by paying the stated premium.

Based on the significant resources and services, provided by the District, as well as the ultimate responsibility for the education of the students, the schools are presented as component units of the District. Separately issued financial statements can be obtained from Snowy Range Academy and Laramie Montessori School.

## NOTES TO FINANCIAL STATEMENTS

### Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups are presented as follows:

#### Governmental Fund Types

General Fund – accounts for all financial resources and transactions except those required to be accounted for in other funds or account groups.

Special Revenue Funds – accounts for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. Federal and state programs at the School District comprise the special revenue funds.

Debt Service Fund – accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund – accounts for financial resources to be used for the acquisition or construction of major capital facilities.

#### Proprietary Fund Types

Enterprise Fund – These are funds that account for the operations of the school district that are financed and operated in a manner similar to those often found in the private sector. The fund included in this category is:

Food Service Fund – used to account for the operations of the cafeteria.

#### Fiduciary Fund Types

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The District has the Student Activity Funds accounted for as an Agency Fund. The fund is custodial in nature and does not require measurement of results of operations.

## NOTES TO FINANCIAL STATEMENTS

### Basis of Presentation

Government-wide financial statements – The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the school district. As a general rule the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, proprietary funds, and the fiduciary funds of the school district. The district's major individual governmental funds and its enterprise fund are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total

## NOTES TO FINANCIAL STATEMENTS

liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as deferred revenues until earned. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recognized only when payment is due.

The District uses a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. The District has property taxes receivable, interfund, and inventories that are considered nonspendable.

In addition to the nonspendable fund balance, a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Restricted – fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

Committed – fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.

Assigned – fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned – fund balance of the general fund that is not constrained for any particular purpose.

## NOTES TO FINANCIAL STATEMENTS

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

Significant accounting policies followed by the District are as follows:

a) Investments

Investments are accounted for at cost. The District's investments consist of United States obligations and time certificates of deposit.

Wyoming State Statutes allow the District to invest in U.S. and state and local government securities, and accounts of any bank or savings association which are federally insured. Stocks and bonds of private corporations, as well as reverse repurchase agreements, are prohibited investment vehicles for the District. All investments made during the year were made within these statutory limits.

b) Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

c) Inventories

In the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out (FIFO) basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the General Fund. The inventories in the General Fund are equally offset by a fund balance reserve which indicates they do not constitute "available spendable resources" even though they are a component of net current assets. The General Fund is the only governmental fund that has material inventory balances as of June 30, 2013.

## NOTES TO FINANCIAL STATEMENTS

Physical inventories of the food and supplies of the Food Service Fund were taken as of June 30, 2013. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies, both valued at cost using the first-in, first-out method. Any unused commodities donated by the federal government at June 30, 2013 are reported as deferred revenue.

### d) Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$5,000 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are reported at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	60
Building improvements	10
Equipment	10-20

Proprietary fund equipment is depreciated on a straight-line basis over the same number of years.

## NOTES TO FINANCIAL STATEMENTS

### e) Property Taxes

Property tax revenues represent property taxes for 2012 and prior years which are collectible during the year ended June 30, 2013. Property taxes which are not collected within 60 days after June 30 are recorded as deferred revenue. Property taxes are levied by the first Monday of August and are payable in two installments, which are due September 1 and March 1. These installments become delinquent, and thus payable, on November 10 and May 10. The taxpayer may elect without penalty, to pay the entire balance on December 31. Property taxes are collected by the County Treasurer, and remitted to the District in the month following that of collection.

### f) Encumbrances

When purchase orders are issued for governmental fund type purchases of goods or services, encumbrances are recorded and are reflected as a reserved portion of the fund balance. Actual expenditures are recognized when the goods or services are received.

### g) Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and bond premiums are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### h) Statement of Cash Flows

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.



## NOTES TO FINANCIAL STATEMENTS

### i) Estimates

Management uses estimates and assumptions in preparing the financial statements in accordance with statutory accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

### Note 2. Budgets, Budgetary Basis of Accounting

The District annually adopts a budget and approves the related appropriations for all governmental fund types. The budgets and related appropriations are prepared on the cash basis, whereas the fund financial statements are prepared on the modified accrual basis of accounting. The adjustments necessary to convert from the financial statements to the budgetary basis of accounting for the general fund, special revenue funds, and debt service funds are presented in the required supplementary information. The District made a budget amendment during the year. The expenditures for the general fund were increased by \$1,460,000 and expenditures for the special revenue fund were increased by \$29,000.

### Note 3. Cash and Investments

At June 30, 2013, the bank amount of the District's demand deposits in financial institutions was \$8,993,254. The demand deposits were fully insured with a combination of FDIC insurance and pledged collateral held in the name of the District. All deposits qualified were held by a qualified depository as outlined in the state statutes.

#### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of June 30, 2013 all of the collateral pledged for the District's cash balances were held in joint custody receipts in the Bank's name and the District's name.

State statutes authorize the District to invest in bank certificates of deposit and securities issued by the U.S. Treasury or agencies of the United States and the State of Wyoming.

The District also has invested in the Wyoming Government Insurance Fund \$2,536,204.

Cash and investments of \$6 in the Debt Service Fund are on deposit with the County Treasurer, who is responsible for the collateral requirement of County deposits.

## NOTES TO FINANCIAL STATEMENTS

### Note 4. Changes in Fixed Assets

The changes in fixed assets for the fiscal year ended June 30, 2013 are as follows:

	Governmental Activities			
	Balance	Additions	Deletions	Balance
	June 30, 2012			June 30, 2013
Construction in progress	\$ 154,705	\$ 536,082	\$ 154,705	\$ 536,082
Land	2,065,937	1,352,879	-	3,418,816
Buildings & improvements	50,988,198	3,202,061	-	54,190,259
Equipment	6,192,191	300,895	289,282	6,203,804
	\$ 59,401,031	\$ 5,391,917	\$ 443,987	\$ 64,348,961

#### ACCUMULATED DEPRECIATION - GOVERNMENTAL

	Balance	Additions	Deletions	Balance
	June 30, 2012			June 30, 2013
Buildings & improvements	\$ 24,429,832	\$ 1,427,786	\$ -	\$ 25,857,618
Equipment	2,994,689	812,348	280,178	3,526,859
	\$ 27,424,521	\$ 2,240,134	\$ 280,178	\$ 29,384,477

#### Enterprise Fund

	Balance	Additions	Deletions	Balance
	June 30, 2012			June 30, 2013
Land	\$ 27,000	\$ -	\$ -	\$ 27,000
Buildings & improvements	182,133	21,824	-	203,957
Equipment	264,164	-	-	264,164
	\$ 473,297	\$ 21,824	\$ -	\$ 495,121

#### ACCUMULATED DEPRECIATION - ENTERPRISE FUND

	Balance	Additions	Deletions	Balance
	June 30, 2012			June 30, 2013
Buildings & improvements	\$ 34,373	\$ 8,394	\$ -	\$ 42,767
Equipment	264,192	-	-	264,192
	\$ 298,565	\$ 8,394	\$ -	\$ 306,959

## NOTES TO FINANCIAL STATEMENTS

### Note 5. Long-Term Debt

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2013:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Accrued vacation and sick leave	\$ 616,148	\$ -	\$ 7,508	\$ 608,640
Capital leases	1,600,864	148,980	536,950	1,212,894
	\$ 2,217,012	\$ 148,980	\$ 544,458	\$ 1,821,534

Debt outstanding at June 30, 2013 is comprised of the following individual issues:

Lease/purchase obligation on buses, interest at 3.625%, due in annual installments of \$94,242, including interest, through 2014.	\$ 90,880
Lease/purchase obligation on buses, interest at 2.71%, due in annual installments of \$97,858, including interest, through 2015.	187,975
Lease/purchase obligation on buses, interest at 2.678%, due in annual installments of \$38,398, including interest, through 2016.	109,287
Lease/purchase obligation on buses, interest at 1.85%, due in annual installments of \$79,300, including interest, through 2016.	229,357
Lease/purchase obligation on buses, interest at 1.85%, due in annual installments of \$136,294, including interest, through 2016.	394,201
Lease/purchase obligation on suburbans, interest at 1.97%, due in annual installments of \$28,405, including interest, through 2016.	81,918
Lease/purchase obligation on a bus, interest at 1.81%, due in annual installments of \$31,181, including interest, through 2017.	119,276
Accrued vacation and sick leave	608,640
	\$ 1,821,534

The annual requirements to amortize all debt outstanding as of June 30, 2013, excluding obligations associated with compensated absences are as follows:

**NOTES TO FINANCIAL STATEMENTS**

	<u>Principal</u>	<u>Interest</u>	
2014	\$ 478,932	\$ 26,747	
2015	396,343	15,095	
2016	306,992	6,588	
2017	<u>30,627</u>	<u>554</u>	
	<u>\$ 1,212,894</u>	<u>\$ 48,984</u>	

Legal Debt Margin

The District has a limit on outstanding general obligation indebtedness of ten percent of the assessed value of the taxable property therein. The amount in a sinking fund available for cancellation of debt may be deducted for computing debt-incurring power of such District. At June 30, 2013, the general obligation bond debt issued by the District did not exceed its legal debt margin as follows:

Assessed valuation	\$ <u>373,430,338</u>
Debt limit – 10% of assessed valuation	\$ 37,343,034
Bond principal outstanding	-
Unused legal debt capacity	<u>\$ 37,343,034</u>

Note 6. Retirement Commitments

All District full-time or regular part-time employees participate in the Wyoming Retirement System (the “System”), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the years ended June 30, 2013 and 2012 was \$31,399,095 and \$29,412,532, respectively; the District’s total payroll was \$33,679,453 and \$33,250,732, respectively.

All District full-time or regular part-time employees are eligible to participate in the System. Employees who retire at or after age 60 with four years of credited service are entitled to a retirement benefit according to predetermined formulas and allowed to select one of five optional methods for receiving benefits. Early retirement is allowed provided the employee has completed four years of service and attained age 50, but will result in a reduction of benefits based on the length of time remaining to normal retirement age. The System also provides death and disability benefits. Benefits are established by State statutes.

The System statutorily requires 14.12% of the covered employee’s salary to be contributed to the plan. The District has elected to fund both the employer’s and employees’ share of the required contribution into the plan for its employees. The contribution requirement for the years ended June 30, 2013 and 2012 was \$4,433,555 and \$4,153,050, respectively.

## NOTES TO FINANCIAL STATEMENTS

Historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's December 31, 2012 annual financial report for the periods for which the information is available.

The System's annual financial report is available by contacting the Wyoming Retirement System at 6101 Yellowstone Road, Suite 500, Cheyenne, Wyoming, 82002, (307) 777-7691 or online at <http://retirement.state.wy.us>

### Note 7. Subsequent Events

The first phase of the bond sale for the construction of the new high school is July 2013 with \$9,000,000 available to the local community and banks. After that, there will be an institutional sale for the bonds that remain.

The School Facilities Commission has approved the appropriation monies needed to purchase the building Snowy Range Academy is currently leasing. This is anticipated for spring 2016, after the lease agreements of all building tenants expire. With this arrangement, the State will purchase the building for Snowy Range Academy and the title of the building will be in Albany County School District No. 1's name.

Management has evaluated subsequent events through November 13, 2013, the date which the financial statements were available for issue.

**REQUIRED SUPPLEMENTARY INFORMATION**

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BUDGETARY COMPARISON SCHEDULE –  
GENERAL FUND**

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		
Revenues:				
Taxes	\$ 10,950,000	\$ 10,950,000	\$ 11,157,197	\$ 207,197
Intergovernmental	41,524,215	41,524,215	42,163,596	639,381
Charges for service	38,610	38,610	42,573	3,963
Miscellaneous	130,300	130,300	419,907	289,607
Total revenue	<u>52,643,125</u>	<u>52,643,125</u>	<u>53,783,273</u>	<u>1,140,148</u>
Expenditures:				
Current:				
Instruction	30,280,856	30,640,856	30,640,124	732
Instructional support	4,372,318	4,747,318	4,743,674	3,644
General support	13,352,144	14,077,144	14,075,478	1,666
Capital outlay	1,607,126	1,607,126	1,509,470	97,656
Total expenditures	<u>49,612,444</u>	<u>51,072,444</u>	<u>50,968,746</u>	<u>103,698</u>
Revenue over expenditures	3,030,681	1,570,681	2,814,527	1,243,846
OTHER FINANCING SOURCES (USES)				
Operating transfers in(out)	<u>(3,035,000)</u>	<u>(3,035,000)</u>	<u>(2,893,579)</u>	<u>141,421</u>
Total other financing sources (uses)	<u>(3,035,000)</u>	<u>(3,035,000)</u>	<u>(2,893,579)</u>	<u>141,421</u>
Revenue and other financing sources over expenditures and other financing uses	(4,319)	(1,464,319)	(79,052)	1,385,267
Fund balance, unreserved, beginning	<u>6,866,899</u>	<u>6,866,899</u>	<u>6,866,899</u>	<u>-</u>
Fund balance, unreserved, ending	<u>\$ 6,862,580</u>	<u>\$ 5,402,580</u>	<u>\$ 6,787,847</u>	<u>\$ 1,385,267</u>

(Continued)

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BUDGETARY COMPARISON SCHEDULE –  
GENERAL FUND**

For the Year Ended June 30, 2013

(Continued)

**Explanation of differences between budgetary revenue and  
expenditures and GAAP revenue and expenditures.**

**Revenue:**

Actual total revenue budgetary basis	\$ 53,783,273
Differences - budget to GAAP	
Property tax accrual difference	<u>153,234</u>
Total revenues as reported on the combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	<u>\$ 53,936,507</u>

**Expenditures:**

Actual total expenditures budgetary basis	\$ 50,968,746
Differences - budget to GAAP	
Accrued payroll difference	(56,994)
Accrued payable difference	<u>-</u>
Total expenditures as reported on the combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	<u>\$ 50,911,752</u>



ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BUDGETARY COMPARISON SCHEDULE –  
SPECIAL REVENUE FUND**  
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,300,000	\$ 6,300,000	\$ 4,048,175	\$ (2,251,825)
Total revenue	<u>6,300,000</u>	<u>6,300,000</u>	<u>4,048,175</u>	<u>(2,251,825)</u>
Expenditures:				
Current:				
Instruction	5,200,000	5,200,000	4,065,741	1,134,259
Instructional support	600,000	600,000	308,417	291,583
General support	150,000	179,000	178,770	230
Capital outlay	350,000	350,000	59,349	290,651
Total expenditures	<u>6,300,000</u>	<u>6,329,000</u>	<u>4,612,277</u>	<u>1,716,723</u>
Revenue over (under) expenditures	-	(29,000)	(564,102)	(535,102)
Fund balance, unreserved, beginning	<u>(645,105)</u>	<u>(645,105)</u>	<u>(645,105)</u>	<u>-</u>
Fund balance, unreserved, ending	<u>\$ (645,105)</u>	<u>\$ (674,105)</u>	<u>\$ (1,209,207)</u>	<u>\$ (535,102)</u>

(Continued)

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BUDGETARY COMPARISON SCHEDULE –  
SPECIAL REVENUE FUND**

For the Year Ended June 30, 2013

(Continued)

**Explanation of differences between budgetary revenue and  
expenditures and GAAP revenue and expenditures.**

**Revenue:**

Actual total revenue budgetary basis	\$ 4,048,175
Differences - budget to GAAP	
Intergovernmental accrual difference	<u>(85,660)</u>
Total revenues as reported on the combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	<u>\$ 3,962,515</u>

**Expenditures:**

Actual total expenditures budgetary basis	\$ 4,612,277
Differences - budget to GAAP	
Accrued payable difference	<u>-</u>
Total expenditures as reported on the combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	<u>\$ 4,612,277</u>

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION –  
BUDGETARY COMPARISONS**

June 30, 2013

**A. Budgetary Basis**

Annual budgets are prepared for all governmental fund types on the cash basis of accounting. Since all accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, reconciliations of the resultant timing differences has been provided on pages 36 and 38. All annual appropriations lapse at year end.

**B. Budgetary Information**

The appropriated budget is prepared by fund, function, and department. The government's department heads, with the manager's approval, may make transfers of appropriations within a department or division. Transfers of appropriations between departments and/or divisions require approval of the Business Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The School Board made a supplementary budgetary appropriation during the year.

**C. Excess of Expenditures over Appropriations**

For the year ended June 30, 2013, there were no instances of excess of expenditures over appropriations.

**SUPPLEMENTARY INFORMATION**

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BUDGETARY COMPARISON SCHEDULE OF REVENUES –  
(NON-GAAP BUDGETARY BASIS) GENERAL FUND**

For the Year Ended June 30, 2013

	Final Budget	Actual (Budgetary Basis)	Variance
Local sources:			
Taxes:			
Property taxes	\$ 9,035,000	\$ 9,135,094	\$ 100,094
Motor vehicle taxes	1,810,000	1,890,354	80,354
Car company taxes	55,000	56,194	1,194
Other local taxes	50,000	75,555	25,555
Total taxes	<u>10,950,000</u>	<u>11,157,197</u>	<u>207,197</u>
Intergovernmental revenues:			
6 - mill county taxes	2,165,000	2,192,423	27,423
County motor vehicle taxes	435,000	453,685	18,685
Car company taxes	14,000	13,487	(513)
Fines and forfeitures	900,000	914,191	14,191
Forest reserve revenues	9,000	16,849	7,849
Foundation programs	37,770,000	38,414,035	644,035
Taylor grazing income	33,000	31,837	(1,163)
Other county revenue	93,215	42,825	(50,390)
Indirect cost reimbursement	105,000	84,264	(20,736)
Total intergovernmental revenue	<u>41,524,215</u>	<u>42,163,596</u>	<u>639,381</u>
Charges for services:			
Tuition and fees	38,610	42,573	3,963
Total charges for services	<u>38,610</u>	<u>42,573</u>	<u>3,963</u>
Miscellaneous:			
Rent	54,000	48,908	(5,092)
Miscellaneous	76,300	370,999	294,699
Total miscellaneous	<u>130,300</u>	<u>419,907</u>	<u>289,607</u>
Total revenues	<u>\$ 52,643,125</u>	<u>\$ 53,783,273</u>	<u>\$ 1,140,148</u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**BUDGETARY COMPARISON SCHEDULE OF EXPENDITURES –  
(NON-GAAP BUDGETARY BASIS) GENERAL FUND**

For the Year Ended June 30, 2013

	Final Budget	Actual (Budgetary Basis)	Variance
<b>Instruction:</b>			
Salaries	\$ 20,354,978	\$ 20,357,707	\$ (2,729)
Employee benefits	8,593,700	8,594,447	(747)
Purchased services	1,112,094	1,112,120	(26)
Supplies and materials	535,889	518,730	17,159
Capital outlay	672,274	361,198	311,076
Other	44,195	57,120	(12,925)
Total instruction	<u>31,313,130</u>	<u>31,001,322</u>	<u>311,808</u>
<b>Instructional support:</b>			
Salaries	2,986,479	2,987,040	(561)
Employee benefits	1,233,204	1,170,244	62,960
Purchased services	191,670	255,369	(63,699)
Supplies and materials	326,305	314,119	12,186
Capital outlay	95,375	343,913	(248,538)
Other	9,660	16,902	(7,242)
Total instructional support	<u>4,842,693</u>	<u>5,087,587</u>	<u>(244,894)</u>
<b>General support:</b>			
Salaries	6,763,776	6,764,291	(515)
Employee benefits	3,164,443	3,166,995	(2,552)
Purchased services	3,070,491	3,085,119	(14,628)
Supplies and materials	1,027,534	1,028,452	(918)
Capital outlay	839,477	805,099	34,378
Other	50,900	29,881	21,019
Total general support	<u>14,916,621</u>	<u>14,879,837</u>	<u>36,784</u>
Total expenditures	<u>\$ 51,072,444</u>	<u>\$ 50,968,746</u>	<u>\$ 103,698</u>

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**COMBINING STATEMENT OF NET POSITION**

**COMPONENT UNITS**

June 30, 2013

	Snowy Range Academy	Laramie Montessori School	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 528,020	\$ 169,641	\$ 697,661
Total current assets	528,020	169,641	697,661
<b>NON-CURRENT ASSETS</b>			
Buildings and improvements	1,505,927	312,771	1,818,698
Accumulated depreciation	(903,947)	(36,496)	(940,443)
Net capital assets	601,980	276,275	878,255
Total non-current assets	601,980	276,275	878,255
Total Assets	\$ 1,130,000	\$ 445,916	\$ 1,575,916
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 58,894	\$ 12,473	\$ 71,367
Current portion of long-term obligations	-	13,548	13,548
Total current liabilities	58,894	26,021	84,915
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of long-term liabilities	-	193,244	193,244
Total non-current liabilities liabilities	-	193,244	193,244
Total Liabilities	\$ 58,894	\$ 219,265	\$ 278,159
<b>NET POSITION</b>			
Net investment in capital assets	\$ 601,980	\$ 276,275	\$ 878,255
Unrestricted	469,126	(49,624)	419,502
Total Net Position	1,071,106	226,651	1,297,757
Total Liabilities and Net Position	\$ 1,130,000	\$ 445,916	\$ 1,575,916

See Notes to Financial Statements.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**COMBINING STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

For the Year Ended June 30, 2013

	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Functions/Programs			
Snowy Range Academy			
Program Services			
Regular instruction	\$ 1,200,482	\$ -	\$ 48,135
Afternoon programs	144	8,402	-
Food service	12,913	-	-
Total Program Services	<u>1,213,539</u>	<u>8,402</u>	<u>48,135</u>
Support Services			
Administration	666,648	-	-
Buildings and grounds	288,483	-	-
Total Support Services	<u>955,131</u>	<u>-</u>	<u>-</u>
Total Snowy Range Academy	<u>\$ 2,168,670</u>	<u>\$ 8,402</u>	<u>\$ 48,135</u>
Laramie Montessori School			
Program Services			
Regular instruction	\$ 409,369	\$ -	\$ 99,415
Food service	5,243	-	-
Total Program Services	<u>414,612</u>	<u>-</u>	<u>99,415</u>
Support Services			
Administration	318,729	-	-
Buildings and grounds	39,799	-	-
Interest and fees	17,866	-	-
Total Support Services	<u>376,394</u>	<u>-</u>	<u>-</u>
Total Laramie Montessori School	<u>\$ 791,006</u>	<u>\$ -</u>	<u>\$ 99,415</u>
Total Component Units	<u>\$ 2,959,676</u>	<u>\$ 8,402</u>	<u>\$ 147,550</u>
General Revenues			
Intergovernmental:			
Average daily membership revenue			
Major maintenance			
Interest income			
Miscellaneous			
Total general revenues			
Change in net position			
Net position - beginning of year			
Net position - end of year			

See Notes to Financial Statements.



Net (Expense) Revenue and Changes in Net Assets

Snowy Range Academy	Laramie Montessori School	Total
\$ (1,152,347) 8,258 <u>          (12,913)</u> <u>          (1,157,002)</u>		
(666,648) <u>          (288,483)</u> <u>          (955,131)</u>		
<u>\$          (2,112,133)</u>		
	\$ (309,954) <u>          (5,243)</u> <u>          (315,197)</u>	
	(318,729) (39,799) <u>          (17,866)</u> <u>          (376,394)</u>	
	<u>\$          (691,591)</u>	
<u>\$          (2,112,133)</u>	<u>\$          (691,591)</u>	<u>\$          (2,803,724)</u>
\$ 1,895,905 146,893 1,588 <u>          155,521</u> <u>          2,199,907</u>	\$ 752,163 49,972 54 <u>          1,178</u> <u>          803,367</u>	\$ 2,648,068 196,865 1,642 <u>          156,699</u> <u>          3,003,274</u>
87,774 <u>          983,332</u>	111,776 <u>          114,875</u>	199,550 <u>          1,098,207</u>
<u>\$          1,071,106</u>	<u>\$          226,651</u>	<u>\$          1,297,757</u>

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
FIDUCIARY FUND TYPE  
AGENCY FUNDS**

For the Year Ended June 30, 2013

	Elementary School Activities	Junior High School Activities Account	Whiting High School Activities Account	Senior High School Activities Account
<b>ASSETS</b>				
Balance at beginning of year	\$ 67,580	\$ 103,720	\$ 4,224	\$ 93,741
Additions	82,356	54,380	6,017	341,792
Deductions	<u>66,268</u>	<u>60,008</u>	<u>4,339</u>	<u>267,440</u>
Balance at end of year	<u>\$ 83,668</u>	<u>\$ 98,092</u>	<u>\$ 5,902</u>	<u>\$ 168,093</u>
<b>LIABILITIES</b>				
Balance at beginning of year	\$ 67,580	\$ 103,720	\$ 4,224	\$ 93,741
Additions	82,356	54,380	6,017	341,792
Deductions	<u>66,268</u>	<u>60,008</u>	<u>4,339</u>	<u>267,440</u>
Balance at end of year	<u>\$ 83,668</u>	<u>\$ 98,092</u>	<u>\$ 5,902</u>	<u>\$ 168,093</u>

See Notes to Financial Statements.

Rock River School Activities Account	Total
\$ 42,996	\$ 312,261
74,503	559,048
<u>77,796</u>	<u>475,851</u>
<u>\$ 39,703</u>	<u>\$ 395,458</u>

\$ 42,996	\$ 312,261
74,503	559,048
<u>77,796</u>	<u>475,851</u>
<u>\$ 39,703</u>	<u>\$ 395,458</u>



**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***

Governing Board  
Albany County School District No. 1  
Laramie, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Albany County School District No. 1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Albany County School District's basic financial statements, and have issued our report thereon dated November 13, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Albany County School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Albany County School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Albany County School District No. 1's internal control.

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

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

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505 South 3rd Street, Suite 100 | Laramie, WY 82070

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Albany County School District No. 1'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*.

## **Purpose of this Report**

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

*Madee Tschacher Peterson + Co, LLC*

Laramie, Wyoming  
November 13, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Governing Board  
Albany County School District No. 1  
Laramie, Wyoming

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

We have audited Albany County School District No. 1's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Albany County School District No. 1's major federal programs for the year ended June 30, 2013. Albany County School District No. 1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Albany County School District No. 1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Albany County School District No. 1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Albany County School District No. 1's compliance.

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

In our opinion, Albany County School District No. 1, 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, 2013.

### **Report on Internal Control Over Compliance**

Management of Albany County School District No. 1, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Albany County School District No. 1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Albany County School District No. 1's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Madee Tschacher Peterson + Co, LLC*

Laramie, Wyoming  
November 13, 2013

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award Expenditures</u>
U.S. Department of Education:		
Passed through State of Wyoming		
Department of Education		
Title I	84.010	\$ 985,244
Title I ARRA	84.389	139,569
Title I School Improvement	84.377	59,500
Title VI-B Flowthrough	84.027	991,583
Title VI-B Preschool	84.173	9,866
Vocational Education	84.048	67,548
21 <sup>st</sup> Century	84.287	16,123
Title II Part A – Teacher Quality	84.367	352,393
Title II Part D – Technology	84.318	649
Title III	84.365	<u>19,295</u>
 Total U.S. Department of Education		 <u>2,641,770</u>
U.S. Department of Agriculture		
Passed through State of Wyoming		
Department of Education		
National School Lunch	10.555	<u>633,816</u>
 Total U.S. Department of Agriculture		 <u>633,816</u>
 Total Federal Financial Awards Expended		 <u>\$ 3,275,586</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.



ALBANY COUNTY SCHOOL DISTRICT NO. 1

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended June 30, 2013

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Albany County School District No. 1 under programs of the federal government for the year ended June 30, 2013. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Albany County School District No. 1, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Albany County School District No. 1.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

ALBANY COUNTY SCHOOL DISTRICT NO. 1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2013

**1. Summary of Auditor's results:**

- An Unqualified opinion was issued on the financial statements.
- No reportable conditions in internal control were found.
- No instances of noncompliance material to the financial statements were found.
- No reportable conditions in internal control over major programs were found.
- An Unqualified opinion was issued on the compliance for major programs.
- No audit findings were reported.
- The following federal program were determined to be major programs:

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Catalog of Federal Domestic Assistance Number</u>	<u>Federal Award Expenditures</u>
U.S. Department of Education Passed-Through State of Wyoming Department of Education		
Title VI-B Flowthrough	84.027	\$ 991,583
Title VI-B Preschool	84.173	9,866

- The dollar threshold used to distinguish between Type A and Type B programs is as follows:  
Type A programs are all programs with more than \$300,000 or more in federal awards. Type B programs are all programs with less than \$300,000 in federal awards.
- The auditee does qualify as a low-risk auditee.

**2. Findings relating to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS):**

- No such findings.

**3. Findings and questioned costs for Federal Awards:**

- No such findings