

CARBON COUNTY SCHOOL DISTRICT #1

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2013

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Carbon County School District One

Educational Excellence

615 Rodeo
Rawlins, WY 82301



(307) 328-9200
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www.crb1.k12.wy.us

December 12, 2013

To the Board Trustees, and Administrators and Community
Carbon County School District No. 1
Rawlins, Wyoming

Wyoming Uniform Municipal Fiscal Procedures Act requires annual audits of school districts. The act states in W.S. 16-4-121 that "school audits shall be completed by November 15 following the end of the fiscal year." The act also states in W.S. 16-4-122 that "audits shall be filed with the state Department of Education on or before December 15 following the end of the audited fiscal year." Pursuant to this requirement, the Annual Financial Report of Carbon County School District No. 1 (the District) for the fiscal year ended June 30, 2013 is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, the District's management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP). Because the cost of internal controls should not exceed the anticipated benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Porter, Muirhead, Cornia & Howard, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2013. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Grant Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on page 4.

DISTRICT PROFILE

Carbon County School District was formed January 1, 1875. The District boundary includes a major part of Carbon County and a small area of Sweetwater County. Today the District is responsible for educating approximately 1870 children in four different communities Rawlins, Baggs, Sinclair and Bairoil. School configuration is different in each community Rawlins has one K-5 elementary school, one 6-8 middle school, one 9-12 alternative high school and one 9-12 high school. Baggs has one K-12 school facility. Sinclair has one K-5 elementary school. Bairoil has one K-5 elementary school.

The District is responsible for providing an education to children living within its boundaries. The District provides educational services to 74% of the children in Carbon County. The District is responsible for building, operating, and maintaining school facilities; developing and maintaining approved education programs and courses of study, including academic and vocational programs, bilingual programs and programs for special needs children and providing transportation and nutrition services to students in accordance with District, state and federal requirements.

ECONOMIC CONDITION

Wyoming is the ninth largest state in the U.S. with 97,914 square miles. This provides Wyoming with abundance of natural resources. In 2012 Wyoming was the number one producer of coal and ranks highest in mining employment. Wyoming produces as much coal as the next six producing states combined. Natural gas production was third in the nation and crude oil was eighth in the nation. Wyoming also possesses the largest known reserve of trona in the world. With Wyoming abundant source of wind, power generation from wind turbines is also becoming a huge industry. The royalties from all the minerals and energy production has a dedicated funding source for schools. With our small statewide population of 576,000 and 90,993 students, the assessment and royalties provide an excellent funding source for schools and keeps the property tax on homes, agriculture, commercial and industrial land at a very affordable rate for citizens of Wyoming.

Carbon County has 7,964 square miles about eight percent of Wyoming. In 2009 the County ranked sixth among the counties in Wyoming in natural gas production and tenth in crude oil. Carbon County has approximately 200 operating wind turbines with 140 megawatts of capacity. There are substantial new wind turbine generation facilities proposed and in permitting in Carbon County. The Chokecherry and Sierra Madre Wind Energy Project is one of the world's largest proposed wind power plants with up to 1,000 turbines to be located south of Rawlins. Both projects are currently in the permitting phase before construction can start. Many large gas and oil companies have operations in Carbon County.

Major employers in Carbon County are: Sinclair Oil refinery, Wyoming State Penitentiary, Memorial Hospital of Carbon County, and County and City government.

Since 2000 Carbon County has had a stable population with very modest increases and decreases in population that are trending upward. The School district had a peak enrollment in the 1980's and 90's with the population again trending upward since 2004. Now showing stable to slightly increasing growth.

STATE SCHOOL FUNDING

The Wyoming Constitution declared that public education is a fundamental right. The Wyoming Supreme Court decisions have upheld and defined this requirement in several court cases most recent notable ones are Campbell 1 – (1995), Campbell 2 – (February 2001), Campbell 3 – (October 2001) and Campbell 4 – (2008). The Wyoming School Foundation Program provides a guaranteed level of funding to every Wyoming public school district. This “Guarantee” is essentially a block grant and is based on a number of factors - the most important of which is the number of students enrolled in the district in the prior year.

Other components having a significant impact on a district's guarantee include special education and pupil transportation costs incurred in the prior year and the number, size and location of certain statutorily defined “small schools” operated by the district. Very small school districts meeting certain enrollment criteria may qualify for additional funding.

Once a district's guarantee is established, that funding level is compared to the district's available local revenue sources. If a district's local revenues turn out to be less than its Guarantee, the state of Wyoming makes up the difference through a series of entitlement payments distributed to the district throughout the school year.

A few school districts, on the other hand, have access to local revenues in excess of their Guarantees. These districts must rebate the excess to the state of Wyoming – a process known as recapture. All recaptured monies flow into a Foundation Program fund and are eventually redistributed to those districts receiving entitlement payments from the state.

Carbon County School District No. 1 is a recapture district.

LONG-TERM FINANCIAL PLANNING

The District has a very conservative approach to budgeting and for the last several years has maintained an ending fund balance that is at the maximum limit allowable by Wyoming law and also maintains a fund balance that was saved before the current funding model (1997) was developed. This along with the State's progressing funding of Education in Wyoming has allow the District to continually fund improvements in programs, and facilities in the District.

COMPONENT UNITS

The Board of Cooperative Higher Education Services (BOCHES) operating as The Carbon County Higher Education Center (CCHC) and the Carbon County School District #1 Recreation Board are component units of the District with their financial information combined into the District's audit. Members of the Board of Trustees also sit as members of the component units' Board.

CCHEC serves the higher education needs of our community and provides high quality training programs through the cooperative efforts of the District, community, industry and local government. CCHEC provides community education courses, vocational and industry training and college credit courses.

The Recreation Board receives a one mill levy on the assessed value in the District and provides grants to agencies and groups within the District to enhance the recreational opportunities of our citizens and assist in the operational needs of recreational facilities in the District.

MAJOR INITIATIVES

The new Rawlins High School which was previously approved for funding by the School Facilities Department along with the enhancements approved by the voters of the District is currently in the schematic design phase with a start date of construction in the fall of 2014 with an estimated final completion date of fall of 2017. The new CCHEC facility approved by the voters is now in construction with a completion date to serve students in the fall of 2014.

ACKNOWLEDGEMENTS

Many individuals throughout the District provided information needed for the preparation of this report. We wish to express our appreciation to the entire Finance Department in particular for their efforts and contributions to our Annual Financial Report.

Furthermore, we would like to acknowledge the efforts of all District personnel who conscientiously follow internal controls; and during the Annual Financial Report preparation, provide additional information that makes the report more meaningful.

We also thank the members of the School Board of Trustees for their continued support and dedication to the educational and financial operations of the District.

Respectfully submitted,

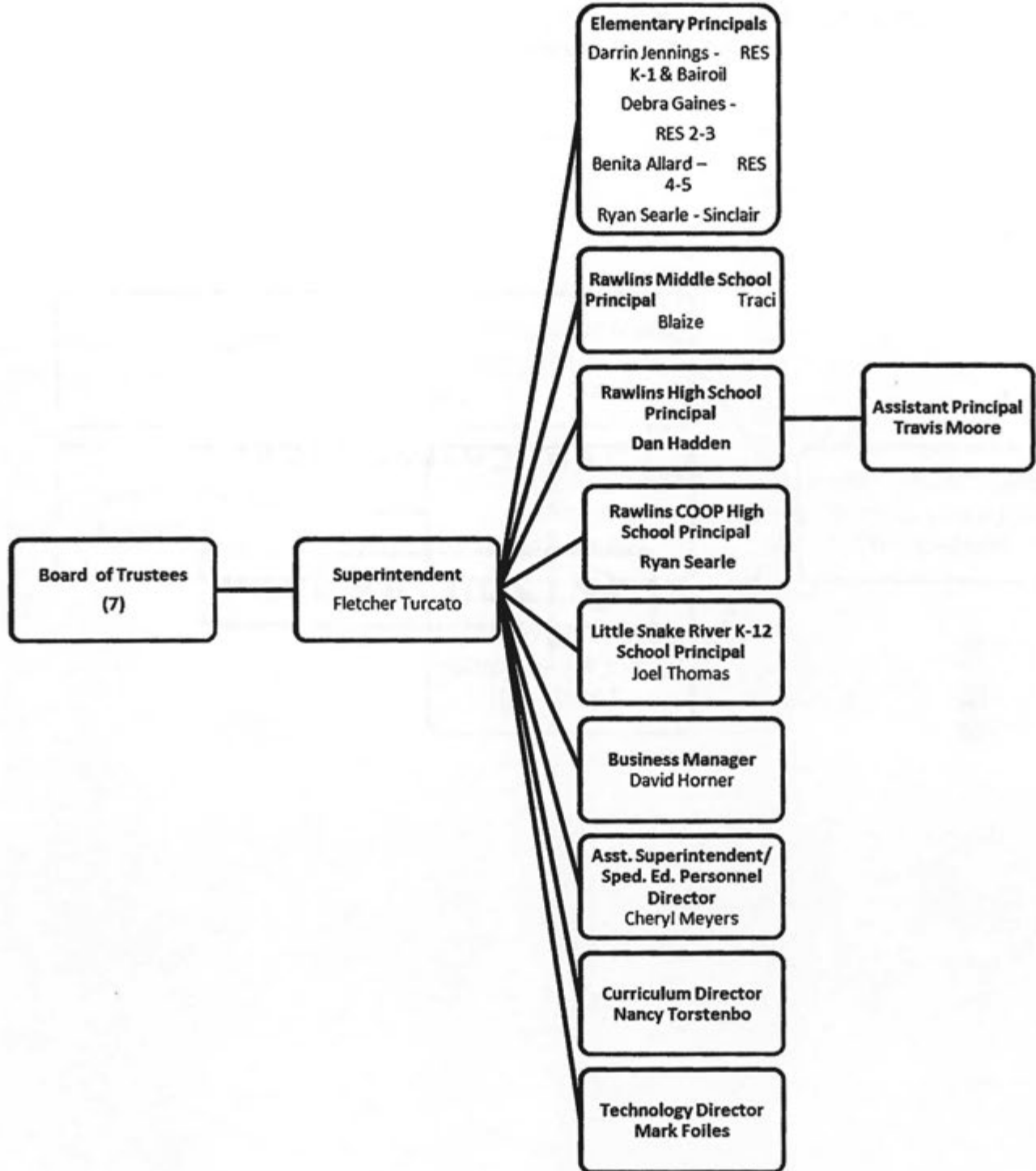


Fletcher Turcato
Superintendent

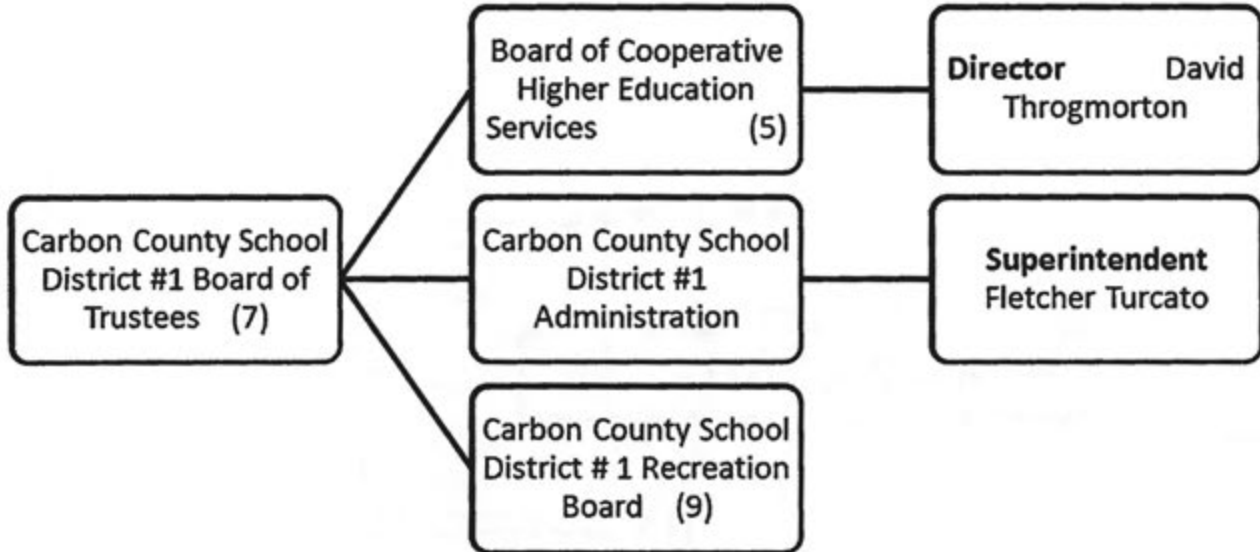


David Horner
Business Manager

**CARBON COUNTY SCHOOL DISTRICT # 1
ADMINISTRATIVE ORGANIZATIONAL CHART 2013**



**CARBON COUNTY SCHOOL DISTRICT #1 AND COMPONENT UNITS
ORGANIZATIONAL CHART 2013**



**CARBON COUNTY SCHOOL DISTRICT #1
CARBON COUNTY, WYOMING**

Administrative Office

615 Rodeo
Rawlins, WY 82301

Fletcher Turcato
David Horner
Margaret Quintrall

Superintendent
Business Manager
Asst. Business Manager

BOARD OF TRUSTEES AS OF JUNE 30, 2013

	<u>Term Expires</u>
Ms. Juli Miller, Chair 901 Date St, Rawlins, WY 82301	December 2012
Mr. Gilbert Archuleta, Vice Chair 194 LaPaloma Rawlins, WY 82301	December 2014
Mr. Michael Mann, Clerk 2420 Inverness Rawlins, WY 82301	December 2014
Ms. Denise Pfeffer, Treasure 721 Scarlet Drive Rawlins, WY 82301	December 2016
Mr. Dan Butler 1611 Park Drive Rawlins, WY 82301	December 2014
Mr. Jeffrey Mendoza 1215 Lambda Drive Rawlins, WY 82301	December 2016
Mr. Pat Sheehan HC 66 Box 200 Baggs, WY 82321	December 2014
Legal Counsel The Kuker Group, LLP 508 East 18th Street Cheyenne, WY 82001	Bond Counsel Freudenthal & Bonds, P.C. 129 E Carlson St. P.O. Box 387 Cheyenne, WY 82003

**BOARD OF COOPERATIVE HIGHER EDUCATION SERVICES
MAIN CAMPUS RAWLINS, WY**

Administrative Office

705 Rodeo St.
Rawlins, WY 82301

David Throgmorton
Shelly Collier

Director
Accounting Specialist

BOARD OF COOPERATIVE HIGHER EDUCATION SERVICES

Mr. Gilbert Archuleta, Chair
Rawlins, WY

Carbon County School District #1

Ms. Juli Miller, Vice Chair
Rawlins, WY

Carbon County School District #1

Mr. Pat Sheehan, Treasurer
Baggs, WY

Carbon County School District #1

Mr. Mike Mann, Clerk
Rawlins, WY

Carbon County School District #1

Mr. George Eckman
Green River, WY

Western Wyoming Community College

**CARBON COUNTY SCHOOL DISTRICT #1 RECREATION BOARD
CARBON COUNTY, WYOMING**

Mailing Address

P.O. Box 1804
Rawlins, WY 82301

Board of Directors June 2013

Mr. Mike Mann, Chair
Rawlins, WY

School Board Appointed

Mr. Pat Sheenan
Baggs, WY

School Board Appointed

Mr. Jeff Mendoza
Rawlins, WY

School Board Appointed

Term Expires

Mr. Don Brinkman
Rawlins, WY

January 2016

Ms. Sandy Jebens
Rawlins, WY

January 2016

Ms. Jodi Stanley
Baggs, WY

January 2016

Ms. Patricia Hays
Rawlins, WY

January 2018

Ms. Janell Thayer-Steele
Rawlins, WY

January 2018

Ms. Charlene Abbott
Rawlins, WY

January 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and
Board of Trustees
Carbon County School District #1

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Carbon County School District #1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Carbon County School District #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.

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 discretely presented component units, each major fund, and the aggregate remaining fund information of the Carbon County School District #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 as listed in the table of contents 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 management's discussion and analysis 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.

The budgetary comparison information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Carbon County School District #1's basic financial statements. The budgetary comparison information and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Superintendent and
Board of Trustees
Carbon County School District #1
Page 3

The budgetary comparison information and 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 budgetary comparison information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurances on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013 on our consideration of the Carbon County School District #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 Carbon County School District #1's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 12, 2013

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CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

As management of Carbon County School District No. 1, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements and various supplementary information, which follow this section.

Financial Highlights

The District's total combined net position was \$53,509,142 at June 30, 2013 which compares to \$49,725,548 at the beginning of the fiscal year as restated, an increase of eight percent.

During the year, the District's total primary government expenses were \$3,732,150 less than \$34,489,697 generated in taxes and other revenues for governmental activities.

The District had \$30,507,547 in expenses related to governmental activities; of which \$3,763,843 of these expenses were offset by program specific charges for services or grants and contributions.

The District decreased its outstanding long-term debt by \$854,411. The outstanding long-term debt includes \$27,583,029 in bonds for construction that is payable over 16 years and \$2,524 retainage payable due in one year.

The District made a recapture payment of \$5,217,195 to the State Foundation Program for the 2012 - 2013 fiscal year.

Overview of the Financial Statements

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

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

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

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

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

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related information about the District's most significant funds.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Such information may be useful in evaluating a government's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities reported in the Statement of Net position and the Statement of Activities and the governmental funds are reconciled in the financial statements. The general fund, major maintenance, capital construction, grants, depreciation, and debt service funds are considered major funds and are reported as separate columns in the fund financial statements.

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District has two funds in this category, The Scholarship Fund (a Private Purpose Trust fund) and the Student Activities Fund.

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

Other information.

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

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

Financial Analysis of the District as a Whole

The Statement of Net position provides the perspective of the District as a whole. The following provides a summary of the District's net position at June 30, 2013:

Condensed Statements of Net position

	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013
	Governmental		Business-Type		Total	Total
	Activities as restated	Governmental Activities	Business-Type Activities	Business-Type Activities		
Current and other assets	\$ 38,607,803	\$ 39,495,249	\$ 103,544	\$ 156,190	\$ 38,711,347	\$ 39,651,439
Capital assets	41,982,573	43,655,655	12,057	6,734	41,994,630	43,662,389
Total assets	80,590,376	83,150,904	115,601	162,924	80,705,977	83,313,828
Other liabilities	1,773,096	1,362,499	5,137	1,016	1,778,233	1,363,515
Long-term liabilities	29,202,196	28,441,171	-	-	29,202,196	28,441,171
Total liabilities	30,975,292	29,803,670	5,137	1,016	30,980,429	29,804,686
Invested in capital assets net of related debt	41,227,130	41,264,012	12,057	6,734	41,239,187	41,270,746
Restricted						
Wyoming Statute	3,896,421	6,869,277	-	-	3,896,421	6,869,277
Donors	172,505	111,743	-	-	172,505	111,743
Unrestricted	4,319,028	5,102,202	98,407	155,174	4,417,435	5,257,376
Total net position	\$ 49,615,084	\$ 53,347,234	\$ 110,464	\$ 161,908	\$ 49,725,548	\$ 53,509,142

The net investment in capital assets is \$41,270,746, which is the net book value of capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding of \$2,391,643. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources except for the retainage payable related to the District's construction in progress. Usually, an additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, or \$5,257,377, may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

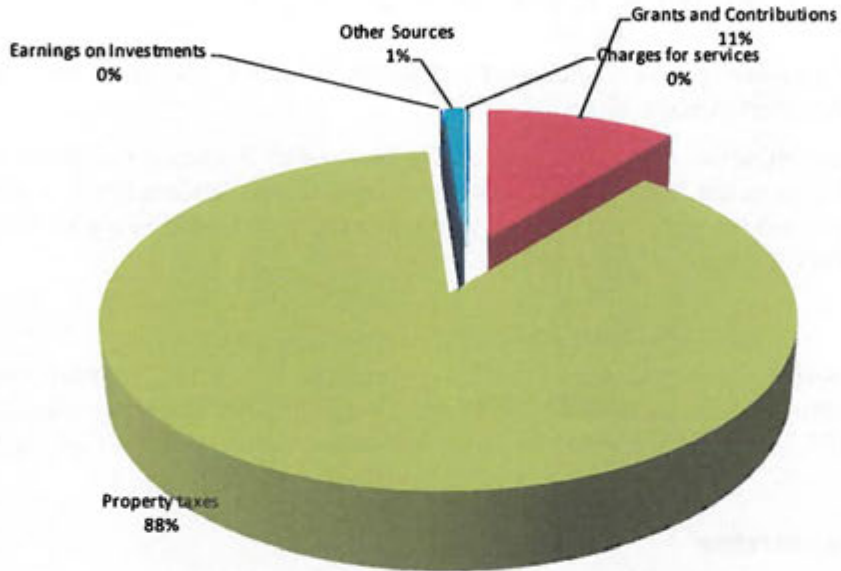
For governmental activities, the District's total net position increased by \$3,732,150 during the year ended June 30, 2013. The total cost of all governmental activities this year was \$30,507,547 and of the business-type activity was \$802,959. The amount that taxpayers paid for these activities through property taxes was \$30,304,361 net of recapture in the amount of \$5,217,195.

	Changes in Net position					
	2011-2012		2012-2013		2011-2012	
	As restated					
	Governmental-Type Activities	Business-Type Activities	Total	Total		
Revenues:						
Program revenues:						
Charges for services	\$ 46,585	\$ 47,078	\$ 271,285	\$ 258,198	\$ 317,870	\$ 305,276
Operating grants and contributions	3,486,883	2,594,495	358,384	344,803	3,845,267	2,939,298
Capital grants	970,573	1,122,270	-	-	970,573	1,122,270
General revenues:						
Taxes	31,886,605	35,521,556	-	-	31,886,605	35,521,556
Investments	32,224	30,449	269	131	32,493	30,580
Recapture payment	(5,268,576)	(5,217,195)	-	-	(5,268,576)	(5,217,195)
Miscellaneous	161,764	391,044	599	1,271	162,363	392,315
Total revenues	31,316,058	34,489,697	630,537	604,403	31,946,595	35,094,100
Expenses:						
Regular instruction	11,879,454	12,070,505	-	-	11,879,454	12,070,505
Special ed instruction	5,606,923	5,218,292	-	-	5,606,923	5,218,292
Pupil services	1,740,359	1,891,463	-	-	1,740,359	1,891,463
Instructional staff services	1,107,401	816,221	-	-	1,107,401	816,221
General admin services	1,033,443	1,018,397	-	-	1,033,443	1,018,397
School admin services	1,564,289	1,665,402	-	-	1,564,289	1,665,402
Business services	591,919	407,196	-	-	591,919	407,196
O&M of plant services	4,114,965	4,515,369	-	-	4,114,965	4,515,369
Pupil transportation	1,301,515	1,355,030	-	-	1,301,515	1,355,030
Central services	1,350,510	478,467	-	-	1,350,510	478,467
Other support services	173,478	117,736	-	-	173,478	117,736
IBNR claim costs	350,446	-	-	-	350,446	-
Interest on long-term debt	41,760	953,469	-	-	41,760	953,469
Nutrition services	-	-	803,904	802,959	803,904	802,959
Total expenses	30,856,462	30,507,547	803,904	802,959	31,660,366	31,310,506
Excess (deficiency) of revenues over expenditures	459,596	3,982,150	(173,367)	(198,556)	286,229	3,783,594
Transfers	(150,000)	(250,000)	150,000	250,000	-	-
Change in net position	309,596	3,732,150	(23,367)	51,444	286,229	3,783,594
Beginning net position	49,305,488	49,615,084	133,831	110,464	49,439,319	49,725,548
Ending net position	\$ 49,615,084	\$ 53,347,234	\$ 110,464	\$ 161,908	\$ 49,725,548	\$ 53,509,142

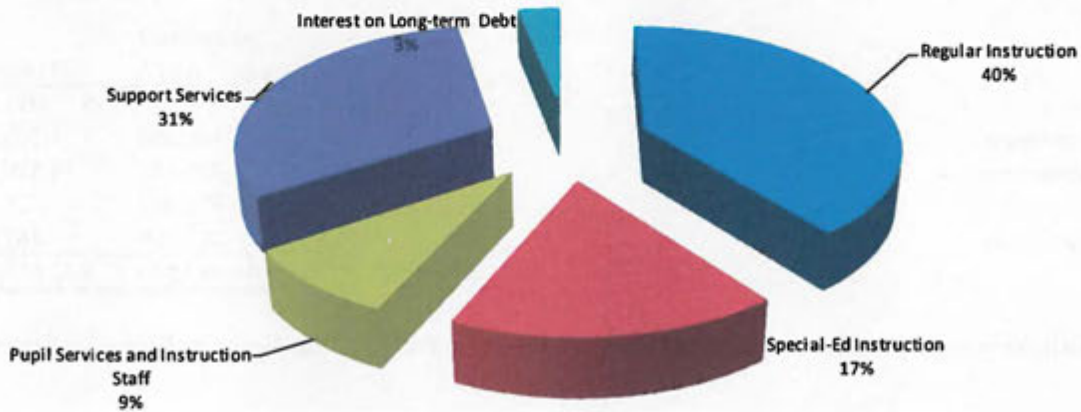
CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013 (UNAUDITED)

Carbon County School District #1
Revenues by Source Governmental Activities
Year Ended June 30, 2013



Carbon County School District #1
Expenses by Function - Governmental Activities
Year Ended June 30, 2013



CARBON COUNTY SCHOOL DISTRICT #1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013
(UNAUDITED)**

Financial Analysis of the District's Funds

Governmental Funds

Revenues:

General fund revenues, net of recapture payment, increased to \$26,858,278 in FY 2013 from \$26,546,017 in FY 2012 due to an increase in collections of taxes.

In comparison to the prior year, major maintenance revenues from the State of Wyoming increased by \$458,138. This increase is due to the change in the State funding formula and percentage funding level each biennium to fund the maintenance allocation and the additional percentage funding received for our new elementary building over 5 years to receive full major maintenance funding.

Food Service Fund:

The total Food Service fund revenues for 2013 were \$604,403, an increase of \$26,134 from the prior year. The expenses incurred to provide this program increased by \$945 from the prior year. The Food Service fund had a net loss before transfers of \$198,556 in 2013, compared to a net loss before transfers of \$173,367 in 2012.

Capital Asset and Debt Administration

Capital Assets:

The District's investment in capital assets for its governmental activities as of June 30, 2013 is \$43,655,655 (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings and equipment (which include vehicles and buses).

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

	As restated 2011-2012	2012-2013
Land	\$ 934,579	\$ 934,579
Construction in progress	400,390	1,708,644
Buildings and improvements	39,429,172	39,820,086
Vehicles	911,323	725,267
Furniture and equipment	307,109	467,079
Total	<u>\$41,982,573</u>	<u>\$43,655,655</u>

Additional information regarding the District's capital assets can be found in the Notes to Financial Statements page 34.

The District is currently in the design phase of a new Rawlins High School that is funded by the Wyoming School Facilities Commission with enhancements funded by the bond approved by the voters of the District. Construction of the new school is scheduled to start in the fall of 2014 and is expected to be completed in 2017. The new BOCHES building that was funded by the bond is in construction with an estimated completion date fall of 2014.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

Long-Term Debt:

The following is a summary of debt transactions related to capital leases, Series 2012 bonds, and accrued compensated absences of the District for the year ended June 30, 2013:

Debt outstanding at July 1, 2012	\$ 29,202,196
New debt issued	386,747
Debt retired	<u>1,147,772</u>
Debt outstanding at June 30, 2013	<u>\$28,441,171</u>

Budgetary information

During the fiscal year ended June 30, 2013, the District amended its 2012-13 budget to decrease the general fund's general support by \$400,000 and increased building and acquisition functions and payment to BOCHES by \$250,000, and \$500,000 functions, respectively. In addition, the District increased the Depreciation fund's facilities acquisition and construction services by \$550,000, and Food Service fund by \$100,000.

Factors Affecting the District's Future

Factors that may impact the District's future include: 1) Increased enrollment 2) Student enrollment exceeding building capacity, and 3) Construction of new school buildings. Impact to the District regarding these issues will be dependent upon actions taken by the School Facilities Commission. The District may be required to alter scenarios and modify facilities in a reaction mode to the School Facilities Commission's actions.

Request for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to David Horner, Business Manager, 615 Rodeo Street, Rawlins, Wyoming 82301.

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BASIC FINANCIAL STATEMENTS

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CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION

June 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BOCHES	Recreation Board
ASSETS					
Current assets					
Cash and cash equivalents	\$ 11,513,712	\$ 140,390	\$ 11,654,102	\$ 1,773,213	\$ 1,257,449
Cash held by fiscal agent	1,280,853	-	1,280,853	4,054	1,959
Investments	1,660,884	-	1,660,884	1,552,270	-
Restricted investments	23,681,903	-	23,681,903	-	-
Property taxes receivable	528,905	-	528,905	45,957	12,021
Accounts receivable	56,482	-	56,482	32,129	-
Due from other governments	739,206	7,956	747,162	-	-
Internal balances	3,034	(3,034)	-	-	-
Inventory	30,270	10,878	41,148	167,341	-
Capital assets not depreciated					
Land	934,579	-	934,579	165,168	-
Construction in progress	1,708,644	-	1,708,644	-	-
Capital assets, net of accumulated depreciation					
Buildings and improvements	39,820,086	-	39,820,086	88,455	-
Vehicles	725,267	-	725,267	55,014	-
Furniture and equipment	467,079	6,734	473,813	23,991	-
Total assets	83,150,904	162,924	83,313,828	3,907,592	1,271,429
LIABILITIES					
Current liabilities					
Accounts payable	350,797	1,016	351,813	48,249	-
Accrued salaries payable	1,011,702	-	1,011,702	8,561	-
Unearned revenue	-	-	-	26,292	-
Non-current liabilities					
Due within one year	1,413,420	-	1,413,420	7,245	-
Due in more than one year	27,027,751	-	27,027,751	44,331	-
Total liabilities	29,803,670	1,016	29,804,686	134,678	-
NET POSITION					
Invested in capital assets, net of related debt	41,264,012	6,734	41,270,746	312,846	-
Restricted by Wyoming state statutes	6,869,277	-	6,869,277	-	1,271,429
Restricted by donors	111,743	-	111,743	-	-
Unrestricted	5,102,202	155,174	5,257,376	3,460,068	-
Total net position	\$ 53,347,234	\$ 161,908	\$ 53,509,142	\$ 3,772,914	\$ 1,271,429

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 12,070,505	\$ 47,078	\$ 254,190	\$ -
Special education instruction	5,218,292	-	2,187,467	-
Support services				
Pupil services	1,891,463	-	-	-
Instructional staff services	816,221	-	-	-
General administration services	1,018,397	-	21,429	-
School administration services	1,665,402	-	-	-
Business services	407,196	-	-	-
Operation and maintenance of plant services	4,515,369	-	131,409	-
Pupil transportation services	1,355,030	-	-	-
Central services	478,467	-	-	1,122,270
Other support services	117,736	-	-	-
Interest on long-term debt	953,469	-	-	-
Total governmental activities	30,507,547	47,078	2,594,495	1,122,270
Business-type activities				
Food service fund	802,959	258,198	344,803	-
Total business-type activities	802,959	258,198	344,803	-
Total primary government	\$ 31,310,506	\$ 305,276	\$ 2,939,298	\$ 1,122,270
Component Unit				
BOCHES	\$ 2,761,771	\$ 250,436	\$ 18,050	-
Recreation Board	743,659	-	-	-
Total component unit	\$ 3,505,430	\$ 250,436	\$ 18,050	\$ -

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt services

Property taxes, levied for specific purposes

 Major building and facility maintenance

 Recreation

 BOCHES

Recapture tax payment

Unrestricted investment earnings

Unrestricted miscellaneous revenue

Transfers

Total general revenues

Change in net assets

Net position - beginning of year

Prior period adjustment

Net position - beginning of year as restated

Net position - end of year

Net (Expenses) Revenues and Changes in Net Assets

Primary Government			Component Unit	Component Unit
Governmental Activities	Business-type Activities	Total	BOCHES	Recreation Board
\$ (11,769,237)	\$ -	\$ (11,769,237)	\$ -	\$ -
(3,030,825)	-	(3,030,825)	-	-
(1,891,463)	-	(1,891,463)	-	-
(816,221)	-	(816,221)	-	-
(996,968)	-	(996,968)	-	-
(1,665,402)	-	(1,665,402)	-	-
(407,196)	-	(407,196)	-	-
(4,383,960)	-	(4,383,960)	-	-
(1,355,030)	-	(1,355,030)	-	-
643,803	-	643,803	-	-
(117,736)	-	(117,736)	-	-
(953,469)	-	(953,469)	-	-
(26,743,704)	-	(26,743,704)	-	-
-	(199,958)	(199,958)	-	-
-	(199,958)	(199,958)	-	-
(26,743,704)	(199,958)	(26,943,662)	2,006	1,000
-	-	-	(2,493,285)	-
-	-	-	-	(743,659)
-	-	-	(2,493,285)	(743,659)
31,831,342	-	31,831,342	-	-
2,415,005	-	2,415,005	-	-
1,275,209	-	1,275,209	-	-
-	-	-	-	1,018,465
-	-	-	2,542,694	-
(5,217,195)	-	(5,217,195)	-	-
30,449	131	30,580	2,006	1,000
391,044	1,271	392,315	-	-
(250,000)	250,000	-	-	-
30,475,854	251,402	30,727,256	2,544,700	1,019,465
3,732,150	51,444	3,783,594	51,415	275,806
53,644,609	110,464	53,755,073	-	995,623
(4,029,525)	-	(4,029,525)	3,721,499	-
49,615,084	110,464	49,725,548	3,721,499	995,623
\$ 53,347,234	\$ 161,908	\$ 53,509,142	\$ 3,772,914	\$ 1,271,429

CARBON COUNTY SCHOOL DISTRICT #1

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2013

	General Fund	Grants Fund	Major Maintenance Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 5,307,009	\$ 143,520	\$ 1,605,346
Cash held by fiscal agent	103,785	-	-
Investments	-	-	-
Restricted investments	-	-	-
Property taxes receivable	521,798	-	-
Accounts receivable	-	-	-
Due from other governments	269,048	424,576	-
Due from other funds	504,630	-	-
Inventory	30,270	-	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 6,736,540</u>	<u>\$ 568,096</u>	<u>\$ 1,605,346</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 114,196	\$ 19,577	\$ 36,002
Due to other funds	50,000	496,776	4,820
Accrued salaries payable	1,011,702	-	-
Total liabilities	<u>1,175,898</u>	<u>516,353</u>	<u>40,822</u>
Deferred inflows of resources			
Deferred receivable from WSBAIT	269,048	-	-
Property tax deferred revenue	111,968	-	-
Total deferred inflows of resources	<u>381,016</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable			
Inventory	30,270	-	-
Restricted			
Major maintenance W.S. 21-15-109	-	-	1,564,524
Buildings and equipment by W.S. 21-13-504	-	-	-
Repair and maintenance W.S. 21-31-701(d)	-	-	-
Donors	60,000	51,743	-
Debt service	-	-	-
Committed	-	-	-
Unassigned	5,089,356	-	-
Total fund balances	<u>5,179,626</u>	<u>51,743</u>	<u>1,564,524</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,736,540</u>	<u>\$ 568,096</u>	<u>\$ 1,605,346</u>

See accompanying notes to the financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ 4,420,548	\$ -	\$ 11,476,423
-	1,177,068	1,280,853
1,660,884	-	1,660,884
23,681,903	-	23,681,903
-	7,106	528,904
56,482	-	56,482
45,582	-	739,206
50,000	-	554,630
-	-	30,270
<u>\$ 29,915,399</u>	<u>\$ 1,184,174</u>	<u>\$ 40,009,555</u>

\$ 143,018	\$ 36,213	\$ 349,006
-	-	551,596
-	-	1,011,702
<u>143,018</u>	<u>36,213</u>	<u>1,912,304</u>

-	-	269,048
-	1,918	113,886
-	1,918	382,934

-	-	30,270
-	-	1,564,524
3,319,951	1,146,043	4,465,994
838,759	-	838,759
-	-	111,743
24,949,992	-	24,949,992
663,679	-	663,679
-	-	5,089,356
<u>29,772,381</u>	<u>1,146,043</u>	<u>37,714,317</u>
<u>\$ 29,915,399</u>	<u>\$ 1,184,174</u>	<u>\$ 40,009,555</u>

CARBON COUNTY SCHOOL DISTRICT #1

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

June 30, 2013

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

Total fund balances		\$ 37,714,317
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		43,655,655
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in funds		
Deferred property tax revenue	\$ 113,887	
Deferred receivable from WSBAIT	269,048	<u>382,935</u>
Internal service funds are used by management to charge the costs of the flex benefit plan. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position		35,498
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds		
Series 2012 bonds payable	(26,025,000)	
Series 2012 bonds payable premium, net of amortization	(1,558,029)	
Accrued compensated absences	(384,223)	
Retainage payable	(2,524)	
Lease purchase obligations	(471,395)	<u>(28,441,171)</u>
Net position of governmental activities		<u>\$ 53,347,234</u>

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CARBON COUNTY SCHOOL DISTRICT #1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	General Fund	Grants Fund	Major Maintenance Fund
Revenues			
Taxes	\$ 30,050,626	\$ -	\$ -
Intergovernmental revenues	1,857,229	2,463,086	1,275,208
Charges for services	47,078	-	-
Investment income	(12,003)	381	4,034
Miscellaneous	132,543	-	-
Recapture payment	(5,217,195)	-	-
Total revenues	<u>26,858,278</u>	<u>2,463,467</u>	<u>1,279,242</u>
Expenditures			
Instruction			
Regular instruction	11,063,292	254,310	-
Special education instruction	3,068,111	2,188,428	-
Total instruction	<u>14,131,403</u>	<u>2,442,738</u>	<u>-</u>
Support services			
Pupil services	2,426,007	-	-
Instructional staff services	816,221	-	-
General administration services	454,379	-	-
School administration services	1,643,910	21,491	-
Business services	407,196	-	-
Operation and maintenance of plant services	3,076,944	-	816,646
Pupil transportation services	1,355,030	-	-
Central services	1,017,765	-	-
Other support services	127,735	-	-
Facilities acquisition and construction services	23,550	-	-
Debt service			
Principal repayments	268,725	-	-
Interest	42,670	-	-
Total support services	<u>11,660,132</u>	<u>21,491</u>	<u>816,646</u>
Total expenditures	<u>25,791,535</u>	<u>2,464,229</u>	<u>816,646</u>
Excess (deficiency) of revenues over expenditures	<u>1,066,743</u>	<u>(762)</u>	<u>462,596</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers (out)	(1,181,578)	-	-
Total other financing sources (uses)	<u>(1,181,578)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>(114,835)</u>	<u>(762)</u>	<u>462,596</u>
Fund balances - beginning of year	5,294,461	52,505	1,101,928
Fund balances - end of year	<u>\$ 5,179,626</u>	<u>\$ 51,743</u>	<u>\$ 1,564,524</u>

See accompanying notes to the financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 2,413,087	\$ 32,463,713
1,122,270	-	6,717,793
-	-	47,078
36,999	982	30,393
-	-	132,543
-	-	(5,217,195)
<u>1,159,269</u>	<u>2,414,069</u>	<u>34,174,325</u>
-	-	11,317,602
-	-	5,256,539
<u>-</u>	<u>-</u>	<u>16,574,141</u>
-	-	2,426,007
-	-	816,221
-	-	454,379
-	-	1,665,401
9,270	-	416,466
1,751,532	-	5,645,122
-	-	1,355,030
-	-	1,017,765
-	-	127,735
628,772	-	652,322
-	475,031	743,756
-	1,008,685	1,051,355
<u>2,389,574</u>	<u>1,483,716</u>	<u>16,371,559</u>
<u>2,389,574</u>	<u>1,483,716</u>	<u>32,945,700</u>
<u>(1,230,305)</u>	<u>930,353</u>	<u>1,228,625</u>
715,888	215,690	931,578
-	-	(1,181,578)
<u>715,888</u>	<u>215,690</u>	<u>(250,000)</u>
(514,417)	1,146,043	978,625
30,286,798	-	36,735,692
<u>\$ 29,772,381</u>	<u>\$ 1,146,043</u>	<u>\$ 37,714,317</u>

CARBON COUNTY SCHOOL DISTRICT #1

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013**

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

Net change in fund balances - total governmental funds		\$ 978,625
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed the depreciation expense and loss on disposal of assets in the current period.</p>		
Capital outlay	\$ 3,209,289	
Depreciation expense	(1,532,191)	
Cost basis of asset disposition	(229,517)	
Accumulated depreciation of asset dispositions	<u>225,501</u>	1,673,082
<p>Governmental funds report payments of long-term debt as expenditures and the issuance of long-term debt as revenue. However, in the statement of activities, the issuance of long-term debt and the principal paid on long-term debt is reported as an increase or reduction of the long-term liabilities.</p>		
Series 2012 bonds payments	475,000	
Series 2012 premium amortization	97,887	
Principal payments on long-term debt	<u>268,725</u>	841,612
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines changes in compensated absences and retainage payable.</p>		
Prior year total liability for compensated absences	290,837	
Current year total liability for compensated absences	(384,223)	
Prior year retainage payable	15,323	
Current year retainage payable	<u>(2,524)</u>	(80,587)
<p>Revenues in the statement of activities that do not provide current financial revenues are not reported as revenues in the funds.</p>		
Deferred receivable from WSBAIT	269,048	
Prior year deferred tax revenue	(63,573)	
Current year deferred tax revenue	<u>113,886</u>	319,361
<p>The activity of the internal service fund is accounted for in a separate fund that is considered to be a proprietary fund. The interest income is reported with governmental activities.</p>		
		<u>57</u>
Changes in net position of governmental activities		<u><u>\$ 3,732,150</u></u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2013

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 140,390	\$ 37,288
Due from other governments	7,956	-
Inventory	<u>10,878</u>	<u>-</u>
Total current assets	<u>159,224</u>	<u>37,288</u>
Capital assets		
Property and equipment, net	<u>6,734</u>	<u>-</u>
Total assets	<u>165,958</u>	<u>37,288</u>
LIABILITIES		
Current liabilities		
Accounts payable	1,016	-
Due to other funds	3,034	-
Due to employees for flex benefits	<u>-</u>	<u>1,790</u>
Total liabilities	<u>4,050</u>	<u>1,790</u>
NET POSITION		
Invested in capital assets, net of related debt	6,734	-
Unrestricted	<u>155,174</u>	<u>35,498</u>
Total net position	<u>\$ 161,908</u>	<u>\$ 35,498</u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2013**

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Operating revenues		
Charges for services	\$ 258,198	\$ -
Miscellaneous	1,271	-
Total operating revenues	<u>259,469</u>	<u>-</u>
Operating expenses		
Salaries	245,807	-
Employee benefits	79,665	-
Purchased services	7,300	-
Supplies and materials	464,864	-
Depreciation	5,323	-
Total operating expenses	<u>802,959</u>	<u>-</u>
Loss from operations	(543,490)	-
Nonoperating revenues		
Federal subsidy	344,803	-
Interest income	131	57
Total nonoperating revenues	<u>344,934</u>	<u>57</u>
Income (loss) before transfers	(198,556)	57
Transfers in	<u>250,000</u>	<u>-</u>
Change in net position	51,444	57
Net position - beginning of year	<u>110,464</u>	<u>35,441</u>
Net position - end of year	<u>\$ 161,908</u>	<u>\$ 35,498</u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2013**

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
	<u> </u>	<u> </u>
Cash flows from operating activities		
Cash received from services	\$ 260,977	\$ -
Cash paid to suppliers for goods and services	(445,547)	-
Cash paid to employees for services	(325,472)	-
Cash paid for other operating expenses	-	1,549
Net cash provided by (used in) operating activities	<u>(510,042)</u>	<u>1,549</u>
Cash flows from noncapital financing activities		
Transfers	250,000	-
Advances from other funds	3,034	-
Subsidy received from federal grants	314,543	-
Net cash provided by noncapital financing activities	<u>567,577</u>	<u>-</u>
Cash flows from investing activities		
Interest income	131	57
Net cash provided by investing activities	<u>131</u>	<u>57</u>
Net change in cash and cash equivalents	57,666	1,606
Cash and cash equivalents - beginning of year	<u>82,724</u>	<u>35,682</u>
Cash and cash equivalents - end of year	<u>\$ 140,390</u>	<u>\$ 37,288</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating income (loss)	\$ (543,490)	\$ -
Adjustments to reconcile operating loss to net cash used in operating activities		
Commodities expense related to noncash grant	30,260	-
Depreciation	5,323	-
Increase (decrease) in cash resulting from changes in operating assets and liabilities		
Due from other governments	2,779	-
Inventory	(793)	-
Accounts payable/due to employees for flex benefits	(4,121)	1,549
	<u>(510,042)</u>	<u>1,549</u>

Non-cash transactions

The Food Service Fund received USDA commodities valued at \$30,260.

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

June 30, 2013

	Private Purpose Trust Fund	Agency Fund <u>Student Activities Fund</u>
ASSETS		
Cash	\$ 7,763	\$ 220,728
Investments	242,281	<u>-</u>
Total assets	<u>250,044</u>	<u>220,728</u>
LIABILITIES		
Scholarships payable	4,467	-
Due to student groups	<u>760</u>	<u>220,728</u>
Total liabilities	<u>5,227</u>	<u>220,728</u>
NET POSITION		
Held in trust for scholarships	<u>244,817</u>	<u>-</u>
Total net position	<u>\$ 244,817</u>	<u>\$ -</u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
Year Ended June 30, 2013

	<u>Private Purpose Trust Fund</u>
Additions	
Scholarship donations	\$ 3,500
Interest income	<u>608</u>
Total additions	<u>4,108</u>
Deductions	
Scholarship awards	<u>3,467</u>
Total deductions	<u>3,467</u>
Change in net position	<u>641</u>
Net position - beginning of year	<u>244,176</u>
Net position - end of year	<u><u>\$ 244,817</u></u>

See accompanying notes to the financial statements

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CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Board of Trustees (Board) is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Carbon County School District #1 (District). The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District serves as the nucleus for the reporting entity under the provisions of GASB Statements No. 14 and 39 for its basic financial statements. Using this premise these financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

Discretely Presented Component Units

The Board of Cooperative Higher Educational Services (BOCHES) operating as the Carbon County Higher Education Center is governed by a five-member board appointed by the District's Board of Trustees. BOCHES is legally separate from the District. The five-member board is appointed by the District's Board of Trustees. Of the five members four are members of the Board of Trustees. BOCHES provides educational services, including but not limited to postsecondary education, vocational-technical education and adult education, since these services can be provided more effectively through a cooperative effort with the Western Wyoming Community College. The BOCHES may impose up to 2½ mills on the District's assessed valuation for operations. The BOCHES does not prepare separately issued financial statements.

The component unit column in the combined financial statements includes the financial data of the District's Recreation Board. The Recreation Board is a legally separate from the District. The nine-member governing body of the Recreation Board is appointed by the District's Board of Trustees. Only three of the nine members also serve on the District's Board of Trustees. The Recreation Board provides grants to fund public recreation projects within the District's boundaries. The Board can impose a tax not to exceed one mill of the District's assessed valuation for the purpose of operating the Recreation Board. The Recreation Board does not prepare separately issued financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *special revenue fund (Major Maintenance fund)* accounts for the proceeds of specific revenue sources for major maintenance that are restricted to expenditures for specified purposes.

The *capital projects fund (Capital Construction fund)* accounts for the proceeds of specific revenue sources for major capital projects that are restricted to expenditures for specified purposes. This fund also accounts for the depreciation reserve for school building repair established by the Board during the fiscal year 2009 according to Wyoming Statute 21-13-504. Construction financed with Series 2012 bonds and repair and maintenance reserve required by Series 2012 bonds.

The *special revenue fund (Grants fund)* accounts for proceeds from federal, state and other local grant revenue sources that are restricted to expenditures for specific purposes.

The *debt service fund* accounts for tax levy collection and payments on Series 2012 bonds.

The District reports the following major proprietary fund:

The *Food Service fund* accounts for the activities of the District's breakfast and lunch programs.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Additionally, the District reports the following fund types:

The *Internal Service Fund* accounts for District's flex benefit plan.

The *Private-Purpose Trust Fund* is used to account for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.

The *Agency Fund* accounts for resources held by the District in a custodial capacity, and consists of funds that are the property of students or others.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Effective this reporting period is GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62). This statement brings the authoritative accounting and financial reporting literature for state and local governments together in a single source, with the FASB and AICPA guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. GASB No. 62 will result in a more consistent application of applicable guidance in financial statements of state and local governments. This statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Implementation of Governmental Accounting Standards Board (GASB) Statements No. 63 and 65

During the year ended June 30, 2013, the District implemented three new accounting standards. GASB No. 61, *The Financial Entity, Omnibus an amendment of GASB Statements No. 14 and No. 34*, resulted in a prior period adjustment for a change in financial reporting. See Note 16 for more details. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, resulting in a change to the District's financial reporting. GASB No. 65, *Items Previously Reported as Assets and Liabilities*, resulted in a prior period adjustment for a change in accounting policies. See Note 16 for more details. Those changes are reflected in this financial report.

Assets, Liabilities, and Net Position or Equity

Deposits and Investments and Restricted Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds and notes and export-import bank notes and guaranteed participations. The District's investments are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net position date. The District's investments consist of participation in the Wyoming Government Investment Fund (WGIF) investment pool and certificates of deposit. WGIF was established on or after July 1, 1996 according to the Wyoming Statutory Trust Act. Shares of the fund are offered exclusively to Wyoming Governmental entities. Separate accounts are maintained for each entity. These pools invest in obligations of the U.S. Treasury and other investments as authorized by Wyoming Statutes.

The District's restricted investments represent proceeds from bonds held in escrow.

Accounts Receivable

The District considers all accounts receivable to be fully collectible at June 30, 2013 and, therefore no allowance for doubtful accounts is deemed necessary. Effective July 1, 2013, the District withdrew from WSBAIT, public risk insurance pool, resulting in a receivable of \$403,572 representing the District's prorata share of WSBAIT's net position at July 1, 2012. This amount is receivable in three equal installments. The District received \$134,524 in 2013 and the remaining amount of \$269,048 is included in due from other governments.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Property Taxes

Property taxes attach as an enforceable lien on property as of May 11. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County, including Carbon County School District #1. District property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period.

The District is required by Wyoming Statutes to levy taxes of twenty-five mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. In addition, a county-wide school property tax of six mills is levied, BOCHES district tax for three mills and a recreation district tax for one mill. The combined tax related to finance general school services other than the payment of principal and interest on long-term debt for the year ended June 30, 2013 was thirty-five mills.

Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market. Governmental fund type inventories are recorded using the purchase method whereby they are recorded as expenditures when purchased within the fund level financial statements. On the other hand the consumption method is used for reporting these inventories at the government-wide level.

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

Capital Assets

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. 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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net position or Equity (Continued)

Capital Assets (Continued)

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

Assets	Years
Buildings	50
Building improvements	20
Vehicles	8-12
Furniture, machinery, equipment, and software	3-25

Compensated Absences

The District's full-time certified staff earns ten days of sick leave per year and two days of personal leave with unlimited accumulation. Unused personal leave is converted to sick leave. The District's certified staff is compensated for their accumulated sick leave up to a maximum one hundred days based on a graduated scale depending on their length of service. The number of days accumulated, up to the maximum, is paid at the rate of \$8.50 for each accumulated eligible hour at the time the employee leaves the District.

The District's support personnel earn sick leave days each month with unlimited accumulation based on the number of hours worked. Support personnel who have a minimum of ten years of continuous service to the District are compensated for their accumulation, up to a maximum of ninety days at the daily rate of one-half the entry level rate on the salary schedule for each job class.

All full-time support personnel are entitled to vacation leave after completing one year of employment with the District. Vacation leave is earned on a graduated scale depending on the length of service. Vacation leave must be taken within the year after it is earned and may not accumulate.

Fund Balance

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District's Board of Trustees, the highest level of authority, through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the District board. Unassigned fund balance in the General fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net position or Equity (Continued)

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Restricted Net position

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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

Prior to May 15, the Superintendent submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted by the third Wednesday in July to obtain public comments.

The budget is adopted by the third Thursday of July.

At the request of the Superintendent or upon its own motion after publication of notice, the Board of Trustees may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department or account to another. All appropriations, excluding appropriations for capital projects, lapse at the close of the budget year to the extent they are not expended or encumbered. The level of expenditure control for budget purposes is the department level.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.

Budgets for the General Special Revenue and Capital Projects Funds are adopted on a cash basis (NON-GAAP). Such basis is not consistent with generally accepted accounting principles (GAAP).

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration during the year. Encumbrances outstanding at year end are immaterial.

The District amended its 2012-13 budget to decrease the general fund's general support function by \$400,000 and increased building and acquisition functions and payment to BOCHES by \$250,000, and \$500,000 functions, respectively. In addition, the District increased the Depreciation fund's facilities acquisition and construction services by \$550,000, and Food Service fund by \$100,000.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds

Deposits and Investments

As of June 30, 2013, the District had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>1 year or less</u>	<u>1 to 5 years</u>	<u>Rate</u>	<u>Rating</u>
Certificates of Deposit	\$ 1,660,884	\$ 1,660,884	\$ -	0.15%	N/A
	<u>\$ 1,660,884</u>	<u>\$ 1,660,884</u>	<u>\$ -</u>		
District restricted Wyoming Government				.000% to 4.625%	A-1 to AAAm
Investment Fund Pool (WGIF)	\$ 23,681,903	\$ 14,978,820	\$ 8,703,083		
	<u>\$ 23,681,903</u>	<u>\$ 14,978,820</u>	<u>\$ 8,703,083</u>		
Private Purpose Trust Fund Certificate of Deposit	\$ 242,281	\$ 242,281	\$ 242,281	0.25%	N/A
	<u>\$ 242,281</u>	<u>\$ 242,281</u>	<u>\$ 242,281</u>		

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments are held in an external pooled investment account, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the District attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses.

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under investment agreements with WGIF, the District has invested monies at a fixed contract rate of interest. Because the security is essentially a written contract, there is no rating available for such an investment; however, under Wyoming statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations. The WGIF fund has AAAM rating. WGIF issues audited financial statements which can be obtained through Wyoming School Board Association at 2323 Pioneer Avenue, Cheyenne, Wyoming 82001.

Concentration of credit risk. The District does not have a formal policy that allows for or limits investment in any one issuer that is in excess of a specified percentage of the District's total investments. At June 30, 2013, 93% of the District's investments were with WGIF and 7% in Certificates of Deposit.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require that the District's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2013, the District's deposits were fully collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the District.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes limit the type of investments the District can use. Statutes limit investments primarily to securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, therefore, reducing the District's exposure to custodial credit risk for its investments. The only other significant exposure is for securities held by securities brokers or other banks.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets

A summary of changes in capital assets follows:

	Primary Government					Balance June 30, 2013
	Balance June 30, 2012	Prior period adjustment	Balance as restated June 30, 2012	Additions	Retirements	
Governmental activities						
Capital assets, not being depreciated						
Land	\$ 934,579	\$ -	\$ 934,579	\$ -	\$ -	\$ 934,579
Construction in progress	400,390	-	400,390	2,683,734	1,375,480	1,708,644
Total capital assets, not being depreciated	1,334,969	-	1,334,969	2,683,734	1,375,480	2,643,223
Capital assets, being depreciated						
Buildings and improvements	57,248,993	186,604	57,062,389	1,596,796	-	58,659,185
Vehicles	3,668,476	84,287	3,584,189	41,599	217,885	3,407,903
Furniture and equipment	1,013,218	361,472	651,746	262,640	11,632	902,754
Total capital assets being depreciated	61,930,687	632,363	61,298,324	1,901,035	229,517	62,969,842
Less accumulated depreciation						
Buildings and improvements	17,713,871	80,654	17,633,217	1,205,882	-	18,839,099
Vehicles	2,740,169	67,303	2,672,866	227,655	217,885	2,682,636
Furniture and equipment	662,684	318,047	344,637	98,654	7,616	435,675
Total accumulated depreciation	21,116,724	466,004	20,650,720	1,532,191	225,501	21,957,410
Total capital assets, being depreciated, net	40,813,963	166,359	40,647,604	368,844	4,016	41,012,432
Governmental activities capital, net	\$ 42,148,932	\$ 166,359	\$41,982,573	\$ 3,052,578	\$ 1,379,496	\$ 43,655,655

The District has \$1,413,128 assets under capital leases with accumulated amortization of \$779,438. The amortization expense for the fiscal year ended June 30, 2013 was \$181,375.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

Business-type activities

Capital assets, being depreciated

Buildings and improvements

Equipment

\$	173,675	\$	-	\$	-	\$	173,675
	200,347		-		-		200,347

Total capital assets being depreciated

374,022	-	-	374,022
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Less accumulated depreciation

Buildings

Equipment

166,732	3,473	-	170,205
195,233	1,850	-	197,083

Total accumulated depreciation

361,965	5,323	-	367,288
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Business-type activities capital assets, net

\$	12,057	\$	(5,323)	\$	-	\$	6,734
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A summary of changes in BOCHES capital assets follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets, not being depreciated				
Land	\$ -	\$ 165,168	\$ -	\$ 165,168
Total capital assets not being depreciated	-	165,168	-	165,168
Capital assets, being depreciated				
Buildings and improvements	186,604	-	18,349	168,255
Vehicles	84,287	50,189	-	134,476
Furniture and equipment	361,472	-	10,553	350,919
Total capital assets being depreciated	632,363	50,189	28,902	653,650
Less accumulated depreciation				
Buildings and improvements	80,654	8,176	9,030	79,800
Vehicles	67,303	12,159	-	79,462
Furniture and equipment	318,047	19,432	10,551	326,928
Total accumulated depreciation	466,004	39,767	19,581	486,190
Total capital assets, being depreciated, net	166,359	10,422	9,321	167,460
Total capital assets	\$ 166,359	\$ 175,590	\$ 9,321	\$ 332,628

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

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

Governmental activities	
Regular instruction	\$ 222,855
Pupil transportation	127,607
Operation and maintenance of plant services	<u>1,181,729</u>
Total depreciation expenses - governmental activities	<u>\$ 1,532,191</u>
Business-type activities	
Food service fund	<u>\$ 5,323</u>
Total depreciation expenses - business-type activities	<u>\$ 5,323</u>

Long-term Debt

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Lease purchase obligations	\$ 740,120	\$ -	\$ 268,725	\$ 471,395	\$ 240,762
Series 2012 bonds	26,500,000	-	475,000	26,025,000	970,000
Premium on Series 2012 bonds	1,655,916	-	97,887	1,558,029	97,887
Retainage payable	15,323	2,524	15,323	2,524	2,524
Accrued compensated absences	290,837	384,223	290,837	384,223	102,247
	<u>\$ 29,202,196</u>	<u>\$ 386,747</u>	<u>\$ 1,147,772</u>	<u>\$ 28,441,171</u>	<u>\$ 1,413,420</u>

For the governmental activities, debt is generally liquidated by the general fund, and debt related to Series 2012 bonds will be liquidated by the debt service fund.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Long-term Debt (Continued)

BOCHES, long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Lease purchase obligations	\$ 27,027	\$ -	\$ 7,245	\$ 19,782	\$ 7,245
Accrued compensated absences	33,513	-	1,719	31,794	-
	<u>\$ 60,540</u>	<u>\$ -</u>	<u>\$ 8,964</u>	<u>\$ 51,576</u>	<u>\$ 7,245</u>

As of June 30, 2013 the District had the following outstanding capital lease obligations:

Lease/purchase obligation on copier equipment; interest rate of 4.6%, due in quarterly installments of \$18,064 including interest through December 2013; collateralized with copiers.	\$ 35,511
Lease/purchase obligation on copier equipment; interest rate of 4.6%, due in quarterly installments of \$3,362 including interest through December 2016; collateralized with copiers.	43,247
Lease/purchase obligations for four buses; interest rate of 4.10%, due in annually installments of \$104,478 including interest through May 2014; collateralized with buses.	99,288
Lease/purchase obligations for four buses; interest rate of 4.10%, due in annual installments of \$106,384 including interest through May 2016; collateralized with buses.	293,349
	<u>471,395</u>
Less current	240,762
Long term debt	<u>\$ 230,633</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013, are as follows:

Year Ending June 30	Total Principal and Interest
2014	\$ 260,440
2015	119,833
2016	119,833
2017	6,724
Total minimum lease payments	<u>506,830</u>
Less: amount representing interest	35,435
Present value of minimum lease payments	<u>\$ 471,395</u>

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Long-term Debt (Continued)

Bonds

In May 2012, the District issued Series 2012 bonds for the purpose of funding construction projects. Principal payments are due June 15th and interest payments are due June 15th and December 15th.

The debt service requirement on the Series 2012 bonds as of June 30, 2013 is as follows:

Year Ending June 30	Interest Rate	Series 2012		Total Principal and Interest
		Principal	Interest	
2014	0.50%	\$ 970,000	\$ 931,198	\$ 1,901,198
2015	3.00%	1,310,000	902,098	2,212,098
2016	1.00%	1,325,000	888,998	2,213,998
2017	1.25%	1,340,000	872,436	2,212,436
2018	4.00%	1,395,000	818,836	2,213,836
2018 to 2023	4% to 5%	7,910,000	3,162,480	11,072,680
2023 to 2027	3.1% to 4.5%	9,635,000	1,434,189	11,068,350
2028 to 2029	4.5% to 3.375%	2,140,000	72,226	4,426,701
		<u>\$ 26,025,000</u>	<u>\$ 9,082,461</u>	<u>\$ 37,321,297</u>

Premium amortization on the Series 2013 bonds is scheduled as follows:

Year Ending June 30	Series 2012 Premium amortization
2014	\$ 97,887
2015	97,887
2016	97,887
2017	97,887
2018	97,887
2019 to 2023	489,435
2024 to 2028	489,435
2028 to 2029	89,724
	<u>\$ 1,558,029</u>

Operating Leases

The District leases certain portable classroom buildings, other office classroom space, and equipment under non-cancelable operating leases. For the year ended June 30, 2013, total rental expense was approximately \$129,000.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Interfund Receivables, Payables and Transfers

The composition of the interfund balances as of June 30, 2013 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government		
General Fund	\$ 504,630	\$ 50,000
Major Maintenance Fund	-	4,820
Capital Construction Fund	50,000	-
Grants Fund	-	496,776
Food Service Fund	-	3,034
	<u>\$ 554,630</u>	<u>\$ 554,630</u>

The outstanding balance between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

During the fiscal year ended June 30, 2013 the District had the following interfund transfers:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 1,181,578
Capital Construction Fund	715,888	-
Debt Service Fund	215,690	-
Food Service Fund	250,000	-
	<u>\$ 1,181,578</u>	<u>\$ 1,181,578</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Retirement Plan

The District contributes to the Wyoming Retirement System ("System"), a statewide cost-sharing multiple-employer public employee retirement system (PERS). The System provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The System issued a publicly available financial report that includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to the Wyoming Retirement System, Fifth Floor West, 6101 Yellowstone Road, Cheyenne, Wyoming 82002.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Retirement Plan (Continued)

Plan members are required to contribute 7.00% of their annual covered salary and the District is required to contribute 7.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The District and BOCHES currently pay 100% of the required employee contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The District's contributions to the System, excluding BOCHES, for the years ending June 30, 2013, 2012 and 2011 were approximately \$2,121,924, \$2,133,908 and \$2,092,687, respectively, which equaled 100% of the required contributions for each year. Effective September 1, 2013, the employee contribution will increase by 0.50% from 7.00% to 7.50%. In September 2014, the employer contribution rate will increase by 0.50% from 7.12% to 7.62%. The County will have the option to pay or not pay the additional employee contribution.

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2013 the District contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. The coverage's under each type of insurance policy vary in amounts and deductibles. The District has not had significant settlements exceeding insurance coverage in any of the past three fiscal years.

The District pays into the State Worker's Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative cost. For the year ended June 30, 2013, the District paid approximately \$158,470 into the State Worker's Compensation System.

Effective July 1, 2012, the District withdrew from Wyoming School Boards Association Insurance Trust (WSBAIT), a public entity risk pool currently operating as a health and welfare risk management and insurance program for several school districts in Wyoming, and joined Wyoming Educator Benefit Trust (WEBT). The District paid approximately \$226,000 in claims run out to WSBAIT during 2013 and approximately \$1,956,000 in premiums to WEBT. According to the District's agreement with WEBT, if the District terminates their participation with WEBT after the first renewal, July 1, 2013, but prior to the second renewal, July 1, 2014, the District is responsible for any claims incurred prior to the date of termination, but processed after the termination date. After the second renewal with WEBT, the District is required to give WEBT a 45 days' notice of its termination and the eligible claims submitted within six months following the termination date will be paid by WEBT.

Transactions with discretely presented component units

During the fiscal year ended June 30, 2012, the District received \$110,000 from the Recreation Board to operate the swimming pool. The District received \$21,000 in rental fees from BOCHES.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS
June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Commitments and Contingencies

As of June 30, 2013, the District had the following outstanding contract commitments:

	<u>Contract Amount</u>	<u>Completed Amount</u>	<u>Outstanding Amount</u>
CC higher ed	\$ 499,916	\$ 390,903	\$ 109,013
Rawlins High School	2,901,935	814,021	2,087,914
Rawlins Middle School	323,992	173,977	150,015
Rawlins Elementary School	264,931	10,835	254,096
Rawlins High School Aquatics Center	557,724	152,571	405,153
Sinclair renovation	144,070	72,097	71,973
Major maintenance -	80,231	68,999	11,232
Major maintenance - Little Snake River Valley	224,881	8,100	216,781
Major maintenance - Rawlins Elementary	189,119	17,141	171,978
	<u>\$ 5,186,799</u>	<u>\$ 1,708,644</u>	<u>\$ 3,478,155</u>

The projects listed above will be financed by reimbursements from the Wyoming School Facilities Division and the 2012 Series bonds, as well as major maintenance allocations from the Wyoming School Foundation.

The District has a discrimination complaint filed at the U.S. Equal Employment Opportunity Commission. At the date the financial statements were issued, this claim was still being investigated. Although the outcome of these matters is currently not determinable, the ultimate cost to resolve these matters is not expected to have a material effect on the financial statements.

During 2013, a dispute developed between the District, general contractor and their sub-contractor for the demolition of Mt. View and Pershing Elementary schools. The dispute may have to be resolved through litigation. At this time management does not know if there will be any financial impact to the District.

Subsequent Events

Subsequent events were evaluated through the date of the report December 12, 2013. The date, at which the financial statements were available to be issued, for event requiring recording or disclosure in the financial statements year ended June 30, 2013.

Accounting Standards Issued, But Not Implemented

As of June 30, 2013, the Governmental Accounting Standards Board has issued the following standards which the Carbon County School District No. 1 may implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, was issued to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Management has not concluded its assessment of the effect of implementing this guidance.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Prior Period Adjustment

During the year ended June 30, 2013, the District adopted Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, which was issued to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modified certain requirements for inclusion of component units in the financial reporting entity. This Statement also amended the criteria for reporting component units as if they were a part of the primary government (that is blending) in certain circumstances. Implementation of this Statement resulted in presentation of BOCHES, as a discretely presented component unit rather than a blended component unit is reflected in the table shown below. In the year ended June 30, 2013, the District adopted the provisions contained in the Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These provisions changed the accepted accounting for costs of issuance amount other items. Costs of issuance associated with a bond offering were deferred in the past and amortized over the life of the bonds. The new provisions required the costs to be expensed when incurred. In the year of implementation, all financial information presented is to be restated to the new required presentation. Implementing GASB Statement No. 61 and No. 65 resulted in the following changes to information previously reported:

	Governmental Activities 6/30/2012	Prior period adjustment GASB No. 61	Prior period adjustment GASB No. 65	Governmental Activities as restated 6/30/2012
Total assets	\$ 84,767,486	\$ (3,869,084)	\$ (308,026)	\$ 80,590,376
Total liabilities	31,122,877	(147,585)	-	30,975,292
Total net position	<u>\$ 53,644,609</u>	<u>\$ (3,721,499)</u>	<u>\$ (308,026)</u>	<u>\$ 49,615,084</u>
Total revenues	\$ 34,259,982	\$ 2,943,924	\$ -	\$ 37,203,906
Less total program expenses	(33,790,844)	(2,934,382)	-	(36,725,226)
Less transfers	(150,000)	-	-	(150,000)
Change in net position	319,138	9,542	-	328,680
Net position, beginning	53,325,471	(3,731,041)	(308,026)	49,286,404
Net position, ending	<u>\$ 53,644,609</u>	<u>\$ (3,721,499)</u>	<u>\$ (308,026)</u>	<u>\$ 49,615,084</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CARBON COUNTY SCHOOL DISTRICT #1

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

GENERAL FUND

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 21,357,952	\$ 21,357,952	\$ 22,401,532	\$ 1,043,580
County sources	5,514,728	5,514,728	6,102,024	587,296
State sources	19,000	19,000	32,691	13,691
Other sources	500,000	500,000	9,435	(490,565)
Total revenues	27,391,680	27,391,680	28,545,682	1,154,002
Expenses				
Instruction	16,507,768	16,507,768	15,319,290	1,188,478
Instructional support	2,706,875	2,706,875	2,136,043	570,832
Support services - general support	9,749,229	9,349,229	8,691,102	658,127
Facilities acquisition and construction	550,000	65,000	38,377	26,623
Payment to other government units	1,477,251	1,512,251	1,511,777	474
Total expenditures	30,991,123	30,141,123	27,696,589	2,444,534
 Excess (deficiency) of revenues over expenditures	 (3,599,443)	 (2,749,443)	 849,093	 3,598,536
 Other financing uses				
Transfers out	(1,020,000)	(1,020,000)	(965,690)	54,310
	(1,020,000)	(1,020,000)	(965,690)	54,310
 Change in fund balance	 (4,619,443)	 (3,769,443)	 (116,597)	 \$ 3,652,846
 Fund balance - beginning of year	 4,959,780	 4,959,780	 4,959,780	
 Fund balance - end of year	 \$ 340,337	 \$ 1,190,337	 \$ 4,843,183	

See accompanying note to the required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 MAJOR MAINTENANCE FUND
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,275,209	\$ 1,275,209	\$ 1,275,208	\$ (1)
Interest	20,000	20,000	4,034	(15,966)
Total revenues	<u>1,295,209</u>	<u>1,295,209</u>	<u>1,279,242</u>	<u>(15,967)</u>
Expenditures				
Capital outlay	<u>2,440,699</u>	<u>2,440,699</u>	<u>824,206</u>	<u>1,616,493</u>
Total expenditures	<u>2,440,699</u>	<u>2,440,699</u>	<u>824,206</u>	<u>1,616,493</u>
Excess (deficiency) of revenues over expenditures	<u>(1,145,490)</u>	<u>(1,145,490)</u>	<u>455,036</u>	<u>\$ 1,600,526</u>
Fund balance - beginning of year	<u>1,145,491</u>	<u>1,145,491</u>	<u>1,145,491</u>	
Fund balance - end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 1,600,527</u>	

See accompanying note to the required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

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

GRANTS FUND

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 3,980,476	\$ 3,980,476	\$ 2,171,268	\$ (1,809,208)
State sources	700,000	700,000	285,315	(414,685)
Local sources	120,000	120,000	-	(120,000)
Investment earnings	-	-	381	381
Total revenues	<u>4,800,476</u>	<u>4,800,476</u>	<u>2,456,964</u>	<u>(2,343,512)</u>
Expenditures				
General instruction	4,350,000	4,350,000	2,441,314	1,908,686
Instructional support	200,000	200,000	-	200,000
General support	450,000	450,000	20,786	429,214
Total expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,462,100</u>	<u>2,537,900</u>
Deficiency of revenues over expenditures	<u>(199,524)</u>	<u>(199,524)</u>	<u>(5,136)</u>	<u>194,388</u>
Other financing sources				
Transfers in	25,000	-	-	-
Total other financing sources	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(174,524)</u>	<u>(199,524)</u>	<u>(5,136)</u>	<u>\$ 194,388</u>
Fund deficit - beginning of year	<u>(348,117)</u>	<u>(348,117)</u>	<u>(348,117)</u>	
Fund deficit - end of year	<u>\$ (522,641)</u>	<u>\$ (547,641)</u>	<u>\$ (353,253)</u>	

See accompanying note to the required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

1. Explanation of Differences between Budgetary Basis and GAAP Basis

	<u>General Fund</u>	<u>Major Maintenance Fund</u>	<u>Grants Fund</u>
Revenues			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 28,545,682	\$ 1,279,242	\$ 2,456,964
Differences - Budget Basis to GAAP			
Accrual of property taxes receivable	181,123	-	-
Intergovernmental revenue	(223)	-	6,503
Investment earnings	(20,299)	-	-
IBNR claims income	(336,228)	-	-
Taxes recorded in BOCHES	<u>(1,511,777)</u>	<u>-</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,858,278</u>	<u>\$ 1,279,242</u>	<u>\$ 2,463,467</u>
Expenditures			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 27,696,589	\$ 824,206	\$ 2,462,100
Differences - Budget Basis to GAAP			
Accrual of accounts payable	(42,831)	(7,560)	2,129
IBNR claims expense	(350,446)	-	-
Taxes recorded in BOCHES	<u>(1,511,777)</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 25,791,535</u>	<u>\$ 816,646</u>	<u>\$ 2,464,229</u>

OTHER SUPPLEMENTARY INFORMATION

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CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

CAPITAL CONSTRUCTION FUND - CAPITAL PROJECTS

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 24,000,000	\$ 24,000,000	\$ 1,076,688	\$ (22,923,312)
Total revenues	<u>24,000,000</u>	<u>24,000,000</u>	<u>1,076,688</u>	<u>(22,923,312)</u>
Expenditures				
Capital outlay	26,947,368	26,947,368	599,102	26,348,266
Total expenditures	<u>26,947,368</u>	<u>26,947,368</u>	<u>599,102</u>	<u>26,348,266</u>
Excess (deficiency) of revenues over expenditures	<u>(2,947,368)</u>	<u>(2,947,368)</u>	<u>477,586</u>	<u>\$ 3,424,954</u>
 Fund balance - beginning of year	 <u>198,224</u>	 <u>198,224</u>	 <u>198,224</u>	
 Fund balance (deficit) - end of year	 <u>\$ (2,749,144)</u>	 <u>\$ (2,749,144)</u>	 <u>\$ 675,810</u>	

Note to the budgetary presentation

The Capital Projects fund is combined with the Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds.

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 CAPITAL CONSTRUCTION FUND - DEPRECIATION RESERVE
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 5,000	\$ 5,000	\$ 4,296	\$ (704)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>4,296</u>	<u>(704)</u>
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,296</u>	<u>(704)</u>
Other financing sources				
Transfers in	500,000	550,000	500,000	(50,000)
Total other financing sources	<u>500,000</u>	<u>550,000</u>	<u>500,000</u>	<u>(50,000)</u>
Change in fund balance	<u>505,000</u>	<u>555,000</u>	<u>504,296</u>	<u>\$ (50,704)</u>
Fund balance - beginning of year	<u>2,765,654</u>	<u>2,765,654</u>	<u>2,765,654</u>	
Fund balance - end of year	<u>\$ 3,270,654</u>	<u>\$ 3,320,654</u>	<u>\$ 3,269,950</u>	

Note to the budgetary presentation

The Depreciation Reserve fund is combined with the Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds.

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 CAPITAL CONSTRUCTION FUND - BOND CONSTRUCTION
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment income	\$ -	\$ -	\$ (17,561)	\$ (17,561)
Total revenues	-	-	(17,561)	(17,561)
Expenditures				
Capital outlay	26,944,854	26,944,854	1,882,172	25,062,682
Purchases services	-	-	17,991	(17,991)
Total expenditures	26,944,854	26,944,854	1,900,163	25,044,691
Excess (deficiency) of revenues over expenditures	(26,944,854)	(26,944,854)	(1,917,724)	\$ 25,027,130
Fund balance - beginning of year	26,896,541	26,896,541	26,896,541	
Fund balance (deficit) - end of year	\$ (48,313)	\$ (48,313)	\$ 24,978,817	

Note to the budgetary presentation

The Bond Construction fund is combined with the Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds.

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (BUDGETARY BASIS)
 CAPITAL CONSTRUCTION FUND - REPAIR AND MAINTENANCE BOND RESERVE
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment income	\$ 5,000	\$ -	\$ (6,218)	\$ (6,218)
Total revenues	<u>5,000</u>	<u>-</u>	<u>(6,218)</u>	<u>(6,218)</u>
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,000</u>	<u>-</u>	<u>(6,218)</u>	<u>\$ (6,218)</u>
Fund balance - beginning of year	<u>844,977</u>	<u>844,977</u>	<u>844,977</u>	
Fund balance - end of year	<u>\$ 849,977</u>	<u>\$ 844,977</u>	<u>\$ 838,759</u>	

Note to the budgetary presentation

The Repair and Maintenance Bond Reserve fund is combined with the Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds.

STATISTICAL INFORMATION
(Unaudited)

CARBON COUNTY SCHOOL DISTRICT #1
NET POSITION BY COMPONENT
LAST 10 YEARS
(Unaudited)

Governmental Activities	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Invested in capital assets, net of related debt	\$ 41,264,012	\$ 41,366,461	\$ 40,984,314	\$ 29,390,149
Restricted	6,981,020	4,651,094	7,347,945	3,472,334
Unrestricted	5,102,202	4,627,054	4,993,212	8,276,318
Total primary government net position	<u>\$ 53,347,234</u>	<u>\$ 50,644,609</u>	<u>\$ 53,325,471</u>	<u>\$ 41,138,801</u>

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
\$ 16,534,830	\$ 14,430,317	\$ 10,809,932	\$ 10,331,931	\$ 10,115,675	\$ 10,176,185
-	-	-	-	-	-
<u>9,065,827</u>	<u>8,308,713</u>	<u>5,578,125</u>	<u>5,507,157</u>	<u>5,289,020</u>	<u>5,563,197</u>
<u>\$ 25,600,657</u>	<u>\$ 22,739,030</u>	<u>\$ 16,388,057</u>	<u>\$ 15,839,088</u>	<u>\$ 15,404,695</u>	<u>\$ 15,739,382</u>

CARBON COUNTY SCHOOL DISTRICT #1
CHANGES IN NET POSITION
LAST 10 YEARS
(Unaudited)

Expenses	2013	2012	2011	2010
Instructional programs	\$ 17,288,797	\$ 17,486,377	\$ 16,765,568	\$ 16,355,136
Support services				
Pupil transportation	1,355,030	1,301,515	1,162,602	1,069,416
Other support services	10,910,251	11,676,364	12,118,677	9,074,607
BOCHES	-	2,934,382	2,824,583	2,737,299
INBR claims expense	-	350,446	-	-
Nutrition services	802,959	803,904	747,581	737,048
Interest on long-term debt	953,469	41,760	25,172	28,414
Total expenses	31,310,506	34,594,748	33,644,183	30,001,920
Program revenue				
Charges for services	305,276	674,716	655,859	679,486
Operating grants and contributions	2,939,298	3,960,845	4,074,920	3,694,212
Capital grants	1,122,270	970,573	12,630,341	12,817,780
Total program revenues	4,366,844	5,606,134	17,361,120	17,191,478
General Revenues				
Taxes	35,521,556	34,348,744	29,057,277	45,521,368
Governmental aid	-	-	-	-
Investments	30,580	41,854	53,801	101,835
Recapture	(5,217,195)	(5,268,576)	(708,299)	(17,259,281)
Miscellaneous	392,315	162,363	32,291	16,960
Total revenues	35,094,100	34,890,519	45,796,190	45,572,360
Changes in net position	\$ 3,783,594	\$ 295,771	\$ 12,152,007	\$ 15,570,440

2009	2008	2007	2006	2005	2004
<u>\$ 13,695,178</u>	<u>\$ 11,669,817</u>	<u>\$ 13,143,082</u>	<u>\$ 12,264,231</u>	<u>\$ 10,208,395</u>	<u>\$ 9,904,881</u>
1,247,277	1,249,827	1,008,269	838,941	948,078	910,740
9,100,576	8,499,619	7,919,040	6,458,814	6,991,170	5,952,548
2,746,942	2,698,414	2,440,668	1,850,407	1,678,861	1,220,465
-	-	-	-	-	-
671,628	634,728	568,918	527,918	447,057	443,539
16,324	18,609	28,999	37,318	34,276	23,147
<u>27,477,925</u>	<u>24,771,014</u>	<u>25,108,976</u>	<u>21,977,629</u>	<u>20,307,837</u>	<u>18,455,320</u>
742,499	792,177	689,107	634,962	502,934	455,094
2,954,095	2,434,756	2,868,543	2,066,508	1,766,328	1,671,474
-	-	-	-	-	-
<u>3,696,594</u>	<u>3,226,933</u>	<u>3,557,650</u>	<u>2,701,470</u>	<u>2,269,262</u>	<u>2,126,568</u>
34,716,336	36,020,500	36,411,660	30,539,387	19,990,833	12,539,109
-	-	-	468,744	1,315,988	2,274,087
119,043	215,601	280,974	364,168	100,655	43,989
(8,135,913)	(8,425,945)	(14,436,820)	(11,790,054)	(3,500,549)	-
(12,666)	92,768	6,104	131,218	(200,000)	19,073
<u>30,383,394</u>	<u>31,129,857</u>	<u>25,819,568</u>	<u>22,414,933</u>	<u>19,976,189</u>	<u>17,002,826</u>
<u>\$ 2,905,469</u>	<u>\$ 6,358,843</u>	<u>\$ 710,592</u>	<u>\$ 437,304</u>	<u>\$ (331,648)</u>	<u>\$ (1,452,494)</u>

CARBON COUNTY SCHOOL DISTRICT #1
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST 10 YEARS
(Unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund				
Unspendable	\$ 30,270	\$ 26,076	\$ 55,226	\$ 58,892
Restricted	60,000	120,000	-	1,404,486
Unassigned	<u>5,089,356</u>	<u>5,148,385</u>	<u>4,966,604</u>	<u>2,972,790</u>
Total General Fund	<u>\$ 5,179,626</u>	<u>\$ 5,294,461</u>	<u>\$ 5,021,830</u>	<u>\$ 4,436,168</u>
All Other Governmental Funds				
Restricted				
Major Maintenance Fund	\$ 1,564,524	\$ 1,101,928	\$ 1,011,721	\$ 744,292
Depreciation Fund	4,465,994	2,765,654	2,753,839	2,728,042
Repair and maintenance	838,759	27,516,850	-	-
Debt service	24,949,992	-	-	-
BOCHES	-	3,611,007	3,582,385	3,869,084
Committed				
Capital Construction Fund	663,679	4,293	133,041	132,960
Unassigned				
Grant Fund	51,743	52,505	42,961	(11,268)
Other Governmental Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 32,534,691</u>	<u>\$ 35,052,237</u>	<u>\$ 7,523,947</u>	<u>\$ 7,463,110</u>

2009	2008	2007	2006	2005	2004
\$ 41,269	\$ 33,840	\$ 33,841	\$ 37,416	\$ 404,566	\$ 202,500
-	-	-	-	-	-
4,172,576	4,582,897	2,610,849	2,785,370	3,570,551	3,343,629
<u>\$ 4,213,845</u>	<u>\$ 4,616,737</u>	<u>\$ 2,644,690</u>	<u>\$ 2,822,786</u>	<u>\$ 3,975,117</u>	<u>\$ 3,546,129</u>

\$ 694,056	\$ 1,116,574	\$ 1,177,729	\$ 934,482	\$ 237,265	\$ 563,543
1,600,000	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,651,551	2,466,255	1,885,545	1,422,477	1,017,342	860,671
139,822	147,225	59,752	-	-	-
27,053	86,102	22,929	-	-	-
-	-	-	9,574	45,635	3,586
<u>\$ 5,112,482</u>	<u>\$ 3,816,156</u>	<u>\$ 3,145,955</u>	<u>\$ 2,366,533</u>	<u>\$ 1,300,242</u>	<u>\$ 1,427,800</u>

CARBON COUNTY SCHOOL DISTRICT #1
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST 10 YEARS
(Unaudited)

	2013	2012	2011	2010
Revenues				
Taxes	\$ 32,463,713	\$ 32,090,098	\$ 26,453,598	\$ 43,720,800
Intergovernmental revenues	6,717,793	6,438,873	18,957,325	17,760,655
Charges for services	47,078	403,431	390,845	416,481
Investment income	30,393	41,509	53,078	100,900
Miscellaneous	132,543	483,136	29,844	22,032
Public contributions	-	145,000	5,000	-
Repayment to State Foundation	-	-	(29,924)	-
Recapture payment	(5,217,195)	(5,268,576)	(708,299)	(17,259,281)
Total revenues	<u>34,174,325</u>	<u>34,333,471</u>	<u>45,151,467</u>	<u>44,761,587</u>
Expenditures				
Instruction	16,574,141	17,972,732	17,404,217	15,956,965
Support services	14,576,448	16,825,144	26,867,033	13,581,537
Facilities acquisition and construction	-	-	-	12,856,190
Debt service				
Principal	743,756	268,442	154,883	152,192
Interest	1,051,355	51,462	26,071	28,612
Total expenditures	<u>32,945,700</u>	<u>35,117,780</u>	<u>44,452,204</u>	<u>42,575,496</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,228,625</u>	<u>(784,309)</u>	<u>699,263</u>	<u>2,186,091</u>
Other financing sources (uses)				
Transfers in	931,578	188,059	81,547	1,100,000
Transfers (out)	(1,181,578)	(338,059)	(171,547)	(1,180,000)
Proceeds from sale of assets	-	28,519	-	-
Proceeds from bond issuance	-	26,500,000	-	-
Proceeds from bond premium	-	1,664,073	-	-
Proceeds from capital lease	-	542,638	37,236	466,860
Total other financing sources (uses)	<u>(250,000)</u>	<u>28,585,230</u>	<u>(52,764)</u>	<u>386,860</u>
Net changes in fund balances	<u>978,625</u>	<u>27,800,921</u>	<u>646,499</u>	<u>2,572,951</u>
Fund balance				
Beginning of year	40,346,698	12,545,777	11,899,278	9,326,327
Prior period adjustment	(3,611,007)	-	-	-
Fund balances, beginning of year as restated	<u>36,735,691</u>	<u>12,545,777</u>	<u>11,899,278</u>	<u>9,326,327</u>
Change in inventory	-	-	-	-
End of year	<u>\$ 37,714,316</u>	<u>\$ 40,346,698</u>	<u>\$ 12,545,777</u>	<u>\$ 11,899,278</u>

2009	2008	2007	2006	2005	2004
\$ 32,681,790	\$ 31,861,617	\$ 31,138,943	\$ 23,797,293	\$ 15,112,694	\$ 10,670,936
5,915,332	7,333,440	9,142,655	8,832,472	4,232,534	7,521,614
460,550	470,220	405,770	408,935	278,955	237,685
118,149	214,071	270,175	354,591	-	-
20,683	94,482	33,287	138,390	136,732	82,782
-	-	-	-	-	-
(54,878)	(31,648)	(119,322)	-	-	-
(8,135,913)	(8,425,945)	(14,436,820)	(11,790,054)	-	-
<u>31,005,713</u>	<u>31,516,237</u>	<u>26,434,688</u>	<u>21,741,627</u>	<u>19,760,915</u>	<u>18,513,017</u>
15,192,569	13,399,286	14,431,652	11,714,390	11,354,415	10,922,989
14,051,794	12,310,094	11,566,331	9,555,236	6,234,885	6,210,446
931,154	2,820,415		537,125	1,738,151	872,552
199,948	254,281	256,323	326,578	238,851	110,774
17,102	19,913	30,770	38,327	34,276	23,147
<u>30,392,567</u>	<u>28,803,989</u>	<u>26,285,076</u>	<u>22,171,656</u>	<u>19,600,578</u>	<u>18,139,908</u>
613,146	2,712,248	149,612	(430,029)	160,337	373,109
1,600,000	85,568	353,421	-	-	-
(1,640,000)	(155,568)	(83,130)	(63,336)	(48,000)	(250,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
320,288	-	-	415,803	158,498	675,367
<u>280,288</u>	<u>(70,000)</u>	<u>270,291</u>	<u>352,467</u>	<u>110,498</u>	<u>425,367</u>
<u>893,434</u>	<u>2,642,248</u>	<u>419,903</u>	<u>(77,562)</u>	<u>270,835</u>	<u>798,476</u>
8,432,893	5,790,645	5,189,319	5,275,359	4,976,484	4,195,014
-	-	184,998	-	-	-
<u>8,432,893</u>	<u>5,790,645</u>	<u>5,374,317</u>	<u>5,275,359</u>	<u>4,976,484</u>	<u>4,195,014</u>
-	-	(3,575)	(8,478)	28,040	(17,006)
<u>\$ 9,326,327</u>	<u>\$ 8,432,893</u>	<u>\$ 5,790,645</u>	<u>\$ 5,189,319</u>	<u>\$ 5,275,359</u>	<u>\$ 4,976,484</u>

CARBON COUNTY SCHOOL DISTRICT #1
DEMOGRAPHIC AND ECONOMIC STATISTICS
(Unaudited)

Year	Estimated Population	Per Capita Personal Income	Percent Growth Personal Income	Total County Estimated Personal Income (1)	10 year Percent change in Total Personal Income
2001	15,185	\$ 26,418	8.4	\$ 401,164	5.6
2002	15,224	27,068	2.5	412,083	2.7
2003	15,183	28,741	6.2	436,381	5.9
2004	15,185	29,894	4.0	453,940	4.0
2005	15,012	34,599	15.7	519,399	14.4
2006	15,042	37,697	9.0	567,032	9.2
2007	15,397	39,408	4.5	606,770	7.0
2008	15,564	43,132	9.4	671,300	10.6
2009	15,720	39,556	(8.3)	621,821	(7.4)
2010	15,834	38,291	(3.2)	606,298	(2.5)
2011	15,786	41,165	7.0	649,829	6.7
2012	15,666	44,882	9.0	703,119	8.2
2013	*	*	*	*	*

(1) Total personal income estimates are in thousands of dollars,
not adjusted for inflation

Source: US Department of Commerce Bureau of Economic Analysis
Carbon County, U.S. Bureau of Census 2010

* Information not available

CARBON COUNTY SCHOOL DISTRICT #1
CAPITAL ASSET FACILITIES INFORMATION
AS OF JUNE 30, 2013
(Unaudited)

Building	Year of Original Construction	Square Footage	Enrollment 10/2010	Average Age of Building (in years)
Elementary Schools				
Mountain View (1)	1949	30,436	-	64
Sinclair	1936	10,865	36	77
Rawlins Elementary K-1 (Highland Hills)	1982	36,228	262	31
Rawlins Elementary K2-5	2011	986,358	503	2
Total		<u>1,063,887</u>		
Middle Schools				
Rawlins Middle School	1978	91,846	269	35
Total		<u>91,846</u>		
High Schools				
Rawlins High School	1957	230,325	444	56
Total		<u>230,325</u>		
K-12 Building				
Little Snake River	1972	55,837	119	41
Total		<u>55,837</u>		
Other Buildings				
Administrative Office and COOP High School	1949	28,270	18	64
Maintenance Facility	1978	6,758		35
Stadium	1982	23,659		31
Bus Garage Rawlins	1976	21,250		37
Bus Garage Baggs	1980	4,500		33
Track Storage Baggs	1987	1,772		26
Total		<u>86,209</u>		

(1) Building to be demolished 2013-14

Many buildings have undergone remodels or additions since original construction

Source: Wyoming School Facilities Division, Carbon County School District #1 records

CARBON COUNTY SCHOOL DISTRICT #1
OPERATIONAL STATISTICS
LAST 10 YEARS
(Unaudited)

Year Ended June 30	Students (1)	General Fund Operational Costs	General Fund Per Student Operational Costs	Nutritional Services Program Breakfast	
				Paid	Free or Reduced
2004	1664	\$ 13,887,965	\$ 8,346	*	*
2005	1727	15,408,441	8,922	\$ 2,192	\$ 9,752
2006	1753	17,555,105	10,014	4,367	13,960
2007	1815	20,470,192	11,278	5,701	14,255
2008	1787	20,323,183	11,373	11,703	15,469
2009	1803	22,350,690	12,396	7,566	11,173
2010	1822	22,829,775	12,530	7,588	18,217
2011	1856	24,836,562	13,382	5,338	11,056
2012	1826	25,791,535	14,125	10,953	25,899
2013	1866	26,016,001	13,942	12,816	25,208

(1) Fall Enrollment

Source: Wyoming Department of Education and Carbon County School District #1 records

* Information not available

Nutritional Services Program

Lunch

Paid	Free or Reduced	Total Meals	Students Free and Reduced	Percent of Total Enrollment
*	*	*		
			479	29
\$ 67,408	\$ 60,981	\$ 140,333	521	30
88,020	71,246	177,593	493	28
106,908	68,180	195,044	506	28
119,509	69,714	216,395	550	31
102,472	79,006	200,217	718	40
94,968	90,379	211,152	680	37
93,498	90,428	200,320	669	36
51,043	128,848	216,743	648	35
81,914	72,920	192,858	636	35

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CARBON COUNTY SCHOOL DISTRICT #1
OPERATIONAL STATISTICS (CONTINUED)
LAST 10 YEARS
(Unaudited)

Student Transportation

Year Ended June 30	Total Buses	Total Miles	Students Transported Daily	Percent of Students (ADM) Transported
2004	54	327,903	608	35.91
2005	53	305,581	492	29.84
2006	53	255,002	607	35.31
2007	39	229,399	610	35.88
2008	39	259,889	742	41.33
2009	39	234,510	741	41.06
2010	39	289,749	676	37.74
2011	39	309,793	652	35.12
2012	39	317,749	853	46.71
2013	39	310,936	930	51.90

(1) Fall Enrollment

Source: Wyoming Department of Education and Carbon County School District #1 records

CARBON COUNTY SCHOOL DISTRICT #1
SCHOOL TAX LEVIES
LAST 10 YEARS
(Unaudited)

Year Ended June 30	State School Foundation	Mandatory County	Operating	Bond and Interest	BOCHES	Vocational and Adult
2004	12.000	6.000	25.000	0.000	1.000	1.500
2005	12.000	6.000	25.000	0.000	1.000	1.500
2006	12.000	6.000	25.000	0.000	1.000	1.500
2007	12.000	6.000	25.000	0.000	1.000	1.500
2008	12.000	6.000	25.000	0.000	1.000	1.500
2009	12.000	6.000	25.000	0.000	1.000	1.500
2010	12.000	6.000	25.000	0.000	1.000	1.500
2011	12.000	6.000	25.000	0.000	1.000	1.500
2012	12.000	6.000	25.000	0.000	1.000	1.500
2013	12.000	6.000	25.000	0.000	1.000	1.500

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office.

<u>Recreation</u>	<u>Total</u>
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500

CARBON COUNTY SCHOOL DISTRICT #1
BONDED INDEBTEDNESS
LAST 10 YEARS
(Unaudited)

Year Ended June 30	Assessed Valuation	Debt	Amount Approved	Bonds Issued	Refunding Issued	Bonds Refunded
2004	\$ 549,273,641	\$ -	\$ -	\$ -	\$ -	\$ -
2005	687,871,624	-	-	-	-	-
2006	951,619,394	-	-	-	-	-
2007	956,032,175	-	-	-	-	-
2008	976,170,512	-	-	-	-	-
2009	1,267,346,637	-	-	-	-	-
2010	766,843,510	-	-	-	-	-
2011	930,128,120	-	-	-	-	-
2012	947,268,208	26,500,000	26,500,000	26,500,000	-	-
2013	796,683,212	26,025,000	-	-	-	-

(1) Percent of capacity does not take county treasurer's cash balances into account.

District can be bonded to 10% of assessed valuation.

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office.

Principal Paid	Interest Paid	Debt 6/30	% of Capacity Obligated (1)
\$ -	\$ -	\$ -	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	26,500,000	2.80%
475,000	972,473	26,025,000	3.27%

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CARBON COUNTY SCHOOL DISTRICT #1
HISTORICAL ASSESSED VALUATIONS
LAST 20 YEARS
(Unaudited)

Year Ended June 30	Assessed Valuation	Percent Increase (Decrease)
1994	\$ 236,487,959	0.01
1995	217,005,083	-0.08
1996	232,813,739	0.07
1997	300,944,538	0.29
1998	319,890,530	0.06
1999	251,745,345	-0.21
2000	290,730,277	0.15
2001	538,717,857	0.85
2002	502,358,573	-0.07
2003	361,253,785	-0.28
2004	549,273,641	0.52
2005	687,871,624	0.25
2006	951,619,394	0.38
2007	956,032,175	0
2008	976,170,512	0.02
2009	1,267,346,637	0.3
2010	766,843,510	-0.39
2011	930,128,120	0.21
2012	947,268,208	0.018
2013	796,683,212	-0.26

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office.

CARBON COUNTY SCHOOL DISTRICT #1
DETAIL OF CARBON COUNTY ASSESSED VALUATION
LAST 10 YEARS
(Unaudited)

Year Ended June 30	Agricultural Lands & Improvements	Commercial Lands & Improvements	Residential Lands & Improvements	Total Real Property	Mineral Production	
					Coal	Natural Gas
2004	\$ 8,568,490	\$ 10,890,764	\$ 41,591,055	\$ 61,050,309	\$ 7,142,514	\$ 366,142,219
2005	8,574,397	11,810,099	45,856,394	66,240,890	3,051,584	447,125,250
2006	8,893,032	12,610,642	49,399,893	70,903,567	*	657,795,481
2007	8,495,565	13,197,917	61,643,389	83,336,871	*	586,480,586
2008	8,404,925	14,365,703	77,381,140	100,151,768	3,811,351	530,169,868
2009	8,689,890	17,647,288	80,585,225	106,922,403	6,749,862	744,469,866
2010	9,491,328	18,859,877	79,638,056	107,989,261	6,987,193	368,885,934
2011	10,270,109	19,760,603	81,412,747	111,443,459	2,352,305	482,176,186
2012	10,722,162	26,433,356	83,837,304	120,992,822	*	434,012,189
2013	11,544,187	20,765,727	88,603,820	120,913,734	*	*

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office,
State Board of Equalization

* Information not available.

Oil	Miscellaneous Minerals	Total Minerals
\$ 35,740,481	\$ 307,513	\$ 409,332,727
61,475,195	486,072	512,138,101
71,674,063	988,489	730,458,033
88,579,826	1,352,635	676,413,047
89,901,463	1,653,617	625,536,299
117,613,768	1,978,534	870,812,030
81,478,110	2,236,137	459,587,374
96,743,708	1,866,732	583,138,931
96,736,758	1,100,664	531,849,611
*	*	*

CARBON COUNTY SCHOOL DISTRICT #1
HISTORICAL ENROLLMENT
LAST 20 YEARS
(Unaudited)

Year as of 10/1	Students (1)	Percent Increase (Decrease)	Year as of 10/1	Students (1)	Percent Increase (Decrease)
1994	2224	(0.05)	2004	1664	(0.04)
1995	2240	0.01	2005	1727	0.04
1996	2216	(0.01)	2006	1753	0.02
1997	2076	(0.06)	2007	1815	0.04
1998	1992	(0.04)	2008	1787	(0.02)
1999	1965	(0.01)	2009	1803	0.01
2000	1946	(0.01)	2010	1822	0.01
2001	1923	(0.01)	2011	1826	0.00
2002	1778	(0.08)	2012	1871	0.02
2003	1728	(0.03)	2013	*	*

(1) Fall Enrollment

Source: Wyoming Department of Education

* Information not available

CARBON COUNTY SCHOOL DISTRICT #1
AVERAGE STUDENT TO TEACHER RATIO
LAST 10 YEARS
(Unaudited)

Year as of 10/1	Students (1)	Full-Time Equivalent Teaching Staff	Ratio of Students to Teaching Staff
2004	1664	135	12.34 : 1
2005	1727	138	12.52 : 1
2006	1753	143	12.26 : 1
2007	1815	148	12.28 : 1
2008	1787	153	11.70 : 1
2009	1803	156	11.57 : 1
2010	1822	154	11.80 : 1
2011	1856	160	11.60 : 1
2012	1826	160	11.41 : 1
2013	1866	160	11.66 : 1

(1) Fall Enrollment

CARBON COUNTY SCHOOL DISTRICT #1
VALUATION DOLLARS PER AVERAGE DAILY MEMBERSHIP (ADM)
LAST 10 YEARS
(Unaudited)

Year Ended June 30	ADM	Valuation \$ per ADM
2004	1693	\$ 324,409
2005	1649	417,146
2006	1719	553,569
2007	1700	562,262
2008	1795	543,728
2009	1805	702,310
2010	1791	428,148
2011	1827	509,891
2012	1792	528,609
2013	1834	434,397

Source: Wyoming Department of Education

CARBON COUNTY SCHOOL DISTRICT #1
STAFFING FULL TIME EQUIVALENT (FTE)
LAST 10 YEARS
(Unaudited)

Year as of 10/1	Teachers	Instructional Aids	Instructional Support Staff	General Support Staff	Total FTE
2004	134.27	11.34	40.83	72.43	258.87
2005	134.87	25.99	27.87	77.62	266.35
2006	137.91	31.98	30.81	76.76	277.46
2007	142.73	37.61	42.87	79.72	302.93
2008	147.84	35.77	35.64	82.05	301.3
2009	152.79	35.32	39.62	75.58	303.31
2010	154.40	44.59	47.69	84.36	331.04
2011	159.72	29.55	64.87	74.22	328.36
2012	160.37	25.47	69.20	74.35	347.22
2013	*	*	*	*	*

Source: Wyoming Department of Education
 *Information not available

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FEDERAL FINANCIAL ASSISTANCE REPORTS

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CARBON COUNTY SCHOOL DISTRICT #1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Pass through Grantors Numbers	CFDA #	Expenditures
U.S. Department of Agriculture			
Passed through Wyoming Department of Education			
Child Nutrition Cluster			
School Breakfast Program	-	10.553	\$ 53,200
National School Lunch Program	-	10.555	253,352
National School Lunch Program - USDA Commodities	-	10.555	30,260
Total Child Nutrition Cluster			<u>336,812</u>
Summer Food Service Program for Children	-	10.559	8,783
Child and Adult Food Care Program	-	10.558	1,940
Fresh Fruit and Vegetable Program		10.582	35
Total U.S. Department of Agriculture			<u>347,570</u>
National Endowment for the Arts			
Passed through the Wyoming Arts Council			
Promotion of the Arts Partnership Agreements	-	45.025	3,000
Passed through the Wyoming Humanities Council			
Promotion of the Humanities Federal/State Partnership	-	45.250	2,373
Passed through the Wyoming Humanities Council			
Promotion of the Humanities Federal/State Partnership	-	45.129	1,708
Total National Endowment for the Arts			<u>7,081</u>
U.S. Department of Education			
Passed Through Wyoming Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	-	84.010A	1,875
Title I Grants to Local Educational Agencies	-	84.010A	92
Title I Grants to Local Educational Agencies	1204012T1A00	84.010A	134,880
Title I Grants to Local Educational Agencies	1304013T1A00	84.010A	724,535
Title I Grants to Local Educational Agencies	-	84.010A	12,435
Title I Grants to Local Educational Agencies	-	84.010A	39,604
Total Title I, Part A Cluster			<u>913,421</u>
Special Education Cluster			
Special Education - Grants to States	110401VIB00	84.027A	1,121
Special Education - Grants to States	1204012T6100	84.027A	10,866
Special Education - Grants to States	1304013T6100	84.027A	398,956
			<u>410,943</u>
Special Education - Preschool Grants,	110401VIBP00	84.173A	832
Special Education - Preschool Grants,	1201012T6900	84.173A	8,252
Special Education - Preschool Grants,	1304013T6900	84.173A	5,774
			<u>14,858</u>
Total Special Education Cluster			<u>425,801</u>
Vocational Education - Basic Grants to States	1204012VEA00	84.048A	24,810
Vocational Education - Basic Grants to States	1304013VEA00	84.048A	45,036
			<u>69,846</u>

(Continued)

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Pass thru Grantors Numbers	CFDA #	Expenditures
US Department of Education (continued)			
English Language Acquisition Grants	1204012T3E00	84.365A	\$ 1,338
English Language Acquisition Grants	1304013T3E00	84.365A	13,283
			<u>14,621</u>
Improving Teacher Quality State Grants	1204012T2A00	84.367	71,374
Improving Teacher Quality State Grants	1304013T2A00	84.367A	120,421
			<u>191,795</u>
School Improvement	12040123GIA0	84.377	126,808
School Improvement		84.377	39,398
			<u>166,206</u>
Total U.S. Department of Education			<u>1,781,690</u>
U.S. Department of Health and Human Services			
Block Grants for Prevention and Treatment of Substance Abuse	-	93.959	6,180
Total U.S. Department of Health and Human Services			<u>6,180</u>
			<u>\$ 2,142,521</u>

Notes:

- (1) Schedule of was prepared on the cash basis.
- (2) The value of non-cash awards for USDA commodities was \$30,260.
- (3) During the fiscal year ended June 30, 2013, the District transferred \$25,000 from Improving Teacher Quality grant, CFDA 84.367 to Title I Cluster, CFDA 84.010.



PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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**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**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Superintendent and Members
of the Board of Trustees
Carbon County School District #1
Casper, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements, and have issued our report thereon dated December 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carbon County School District #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 Carbon County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County School District #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.

Honorable Superintendent and
Board of Trustees
Carbon County School District #1
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carbon County School District #1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management and the Board in a separate letter dated December 12, 2013.

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.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
December 12, 2013



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

To the Honorable Superintendent and Members
of the Board of Trustees
Natrona County School District No. 1
Casper, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Carbon County School District #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 Carbon County School District #1's major federal programs for the year ended June 30, 2013. Carbon County School District #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 Carbon County School District #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 Carbon County School District #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 Carbon County School District #1's compliance.

Opinion on Each Major Federal Program

In our opinion, Carbon County School District #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 Carbon County School District #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 Carbon County School District #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 Carbon County School District #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.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
December 12, 2013

CARBON COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified
Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses? No

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

Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133? No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553	Nutrition Cluster
10.555	National Breakfast Program
10.555	National School Lunch Program
	Commodities
84.010A	Title I Cluster
	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? No

CARBON COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013**

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

CARBON COUNTY SCHOOL DISTRICT #1

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2013**

SA-2012-01

U.S. Department of Education

Passed through State of Wyoming Department of Education

84.410 – Education Jobs Fund - ARRA

Criteria

OMB Circular A-87, Cost Principles for State and Local Governments, Attachment B, section h.8. states that where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. Such documentary support is required where employees work on (a) more than one federal award, (b) a federal award and a non-federal award, (c) an indirect cost activity and a direct cost activity, (d) two or more indirect activities which are allocated using different allocation bases, or (d) an unallowable activity and a direct or indirect cost activity. Personnel activity reports or equivalent documentation must meet the following standards (a) must reflect an after-the-fact distribution of the actual activity of each employee, (b) must account for the total activity for which each employee is compensated, (c) must be prepared at least monthly and must coincide with one or more pay periods, and (d) budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes, provided (i) the governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed, (ii) at least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made and costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and (iii) the budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

Condition

Federal award money was used to compensate employees; however, the payroll charges were not supported by documentation as prescribed in OMB Circular A-87. The District had two individuals whose time charged to the grant was based on budget and no comparison of actual cost based on monthly activity reports to budgeted distribution was made. One of those individuals did not have a time and effort log or semi-annual certifications to support time allocated to the grant.

Status

Condition has been corrected.

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