

**FREMONT
COUNTY SCHOOL
DISTRICT #1**



Annual Financial Report
June 30, 2013

FREMONT COUNTY SCHOOL DISTRICT #1

FINANCIAL REPORT

June 30, 2013

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PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and
Board of Trustees
Fremont County School District #1
Lander, WY

Report on the Financial Statements

We have audited the accompanying 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 Fremont 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 Fremont 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 unit, each major fund, and the aggregate remaining fund information of Fremont 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 the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied during 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 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.

Other Supplementary Information and Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fremont County School District #1's basic financial statements. The other supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Additionally, the accompanying schedule of expenditures of federal awards as listed in the table of contents is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Fremont County School District #1.

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

Honorable Superintendent and
Board of Trustees
Fremont County School District #1
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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of Fremont 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 the 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 Fremont County School District #1's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, WY
November 25, 2013

FREMONT COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

As management of the Fremont County School District #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 \$51,902,112 at June 30, 2012, which compares to \$62,037,649 as of June 30, 2013. Capital assets increased by \$10,299,834 (net of depreciation) due to the amount that was attributed to the construction-in-progress for the new elementary school.
- The District's revenue generated in taxes and other revenues was \$41,436,426. This is an increase of \$2,867,326 from FY12. There was an increase in Capital Grants of \$3,194,471.
- For the District's governmental activities and business-type activities total expenses for FY12 were \$35,085,829. Total expenses for FY13 were \$31,232,788. This represents a decrease of \$3,853,041. Of this amount, \$1,342,407 was attributed to regular instruction and \$1,018,563 was for operation and maintenance of plant services. The amount expended for the construction of the new elementary school appears on the balance sheet as construction-in-progress.
- During the year the District incurred additional long-term debt from capital leases totaling \$505,065 and reduced long-term debt by \$728,622. Of this amount \$97,375 was paid out in early retirement benefits.

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 deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference between them reported as the *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.

FREMONT COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

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 four business-type activities: the Food Service Fund, the Swimming Pool Fund, the Preschool Fund, and the Facilities Enterprise Fund. A fifth business-type activity reported in the financial statements is the TIGER Joint Powers Board. The Joint Powers Board is included in the financial statements as a Blended Component Unit. More information is contained in Note 1 in the Notes to the Financial Statements.

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

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 the 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, grants fund and major maintenance fund are considered major funds and are reported as separate columns in the fund financial statements. All other governmental funds of the District are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds. Proprietary funds are used to account for services for which the District charges participants a fee. These funds, like the government-wide statements, provide both long- and short-term financial information. As stated above, the Food Service Fund, the Swimming Pool Fund, the Preschool Fund, and the Facilities Enterprise Fund are in this category for the District. Included in the financial statements as a proprietary fund is the TIGER Joint Powers Board which is reported as a Blended Component Unit.

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 and the 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.

FREMONT COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(UNAUDITED)

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.

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 Statement of Net Position						
	2011-2012 Governmental Activities	2012-2013 Governmental Activities	2011-2012 Business- Type Activities	2012-2013 Business- Type Activities	2011-2012 Total School Activities	2012-2013 Total School Activities
Current and other assets	\$ 10,213,674	\$ 9,150,185	\$ 2,109,264	\$ 2,141,996	\$ 12,322,938	\$ 11,292,181
Capital assets	46,141,298	56,476,875	626,140	590,397	46,767,438	57,067,272
Total Assets	56,354,972	65,627,060	2,735,404	2,732,393	59,090,376	68,359,453
Current liabilities	3,408,153	2,830,854	56,165	50,168	3,464,318	2,881,022
Long-term liabilities	3,723,946	3,440,782	-	-	3,723,946	3,440,782
Total Liabilities	7,132,099	6,271,636	56,165	50,168	7,188,264	6,321,804
Net Position						
Invested in capital assets, net of related debt	42,358,477	52,764,062	626,140	590,397	42,984,617	53,354,459
Restricted for						
Major maintenance	2,354,585	2,485,285	-	-	2,354,585	2,485,285
Bond indenture	57,406	76,092	-	-	57,406	76,092
Unrestricted	4,452,405	4,029,985	2,053,099	2,091,828	6,505,504	6,121,813
Total Net Position	\$ 49,222,873	\$ 59,355,424	\$ 2,679,239	\$ 2,682,225	\$ 51,902,112	\$ 62,037,649

The net investment in capital assets is \$53,354,459, which is the net book value of capital assets (e.g., land, buildings, equipment) of \$57,067,272, less any related debt used to acquire those assets that is still outstanding of \$3,712,813. 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. There are two separate amounts that are restrictions on Net Position. The first amount is \$2,485,285 and is restricted by legislation. The second amount is \$76,092 and is restricted by bond covenants. The balance of \$6,121,813 designated as unrestricted includes an amount of \$1,310,149 that is subject to internal restrictions on how these funds may be used. They are presented as committed funds on pages 16 and 17 of the report. The remaining balance of unrestricted net position, \$4,971,364, 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.

The District's total net position increased by \$10,135,537 during the year ended June 30, 2013. As stated earlier, this change came from the increase in construction-in-progress of the Gannet Peak Elementary School.

FREMONT COUNTY SCHOOL DISTRICT #1

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

Changes in the District's Net Position						
	2011-2012 Governmental Activities	2011-2012 Business-type Activities	2011-2012 Total School District	2012-2013 Governmental Activities	2012-2013 Business-type Activities	2012-2013 Total School District
Revenues:						
Program revenues:						
Charges for services	\$ 1,320,558	\$ 518,452	\$ 1,839,010	\$ -	\$ 495,991	\$ 495,991
Operating grants and contributions	3,070,430	327,673	3,398,103	2,434,297	314,338	2,748,635
Capital grants and contributions	7,622,278	-	7,622,278	10,816,749	-	10,816,749
General revenues:						
Taxes	7,954,127	-	7,954,127	9,670,056	-	9,670,056
Governmental aid	17,702,684	-	17,702,684	17,232,897	-	17,232,897
Miscellaneous	48,226	4,672	52,898	468,005	4,093	472,098
Transfers	(724,956)	724,956	-	(578,928)	578,928	-
Total revenues	36,993,347	1,575,753	38,569,100	40,043,076	1,393,350	41,436,426
Expenses:						
Regular instruction	(11,616,854)	-	(11,616,854)	(10,274,447)	-	(10,274,447)
Special instruction	(5,810,735)	-	(5,810,735)	(5,752,501)	-	(5,752,501)
Student activities	(960,631)	-	(960,631)	(933,195)	-	(933,195)
Vocational instruction	(569,754)	-	(569,754)	(531,982)	-	(531,982)
Pupil services	(1,312,591)	-	(1,312,591)	(953,942)	-	(953,942)
Instructional staff services	(1,149,193)	-	(1,149,193)	(1,265,713)	-	(1,265,713)
General admin services	(405,480)	-	(405,480)	(347,133)	-	(347,133)
School admin services	(1,403,164)	-	(1,403,164)	(1,327,297)	-	(1,327,297)
Business services	(790,767)	-	(790,767)	(733,770)	-	(733,770)
O & M of plant services	(6,121,930)	-	(6,121,930)	(5,103,367)	-	(5,103,367)
Pupil transportation	(1,985,904)	-	(1,985,904)	(1,711,490)	-	(1,711,490)
Central services	(375,896)	-	(375,896)	(405,610)	-	(405,610)
Other support services						
Facilities, acquisitions and construction services	(934,960)	-	(934,960)	(442,164)	-	(442,164)
Interest on long-term debt	(186,545)	-	(186,545)	(59,813)	-	(59,813)
Enterprise funds	-	(1,461,425)	(1,461,425)	-	(1,390,364)	(1,390,364)
Total expenses	(33,624,404)	(1,461,425)	(35,085,829)	(29,842,424)	(1,390,364)	(31,232,788)
Change in net position	\$ 3,368,943	\$ 114,328	\$ 3,483,271	\$ 10,200,652	\$ 2,986	\$ 10,203,638

FREMONT 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 decreased from \$25,854,099 in FY 2012 to \$25,503,170 in FY 2013. The decrease of \$350,929 was due mainly to the absence of tuition money received related to high school students from Fort Washakie.

Expenditures

The total expenditures (including transfers) of the General Fund on a modified accrual basis of accounting, were \$25,537,286 in 2013 compared to \$26,949,235 for 2012. The total expenditures for the same years on a budgetary (cash) basis were \$26,339,839 for FY 2012 and \$25,458,940 for FY 2013. The District uses the cash basis of accounting by which to operate. The Wyoming School Foundation Program operates on a cash basis of accounting.

Proprietary Funds

While the Preschool continues to be self-sustaining, the Food Service Fund and the Swimming Pool are not. The operating costs of both programs (the Swimming Pool and Food Service) make it very difficult, if not impossible to achieve self-sustaining status. The TIGER Joint Powers Board receives funds from grants awarded by the Wyoming Business Council and revenues generated from the sale of the lots in the business park.

General Fund Budgetary Highlights

For the fourth consecutive year, the legislature chose to not provide an external cost adjustment (ECA) to school districts. In years past, ECAs ranged from 3.7% to 4.3%. As costs have increased and funding has not kept up with those increases, school districts have been forced to streamline their operations. Through a variety of budgetary cuts and reductions in staffing through attrition, the District projects budgetary savings of approximately \$900,000 for the 2013-14 budgetary year.

Joint Powers Board

The Board of Trustees and the City of Lander have formed a Joint Powers Board for the purpose of developing the land that previously contained Lander Valley High School. Fiscal year 2013 represents the seventh year of activity that requires the financial reporting of the activity.

FREMONT COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(Unaudited)

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012 and June 30, 2013 amounts to \$46,141,298 and \$56,476,875 (net of accumulated depreciation) respectively. This investment in capital assets includes land, site improvements, buildings and equipment (which include vehicles and buses).

District's Capital Assets (Governmental Activities)		
Net of Depreciation	2012-2013	2011-2012
Land	\$ 28,685	\$ 28,685
Work of Art - Tiger Bronze	60,000	60,000
Construction in progress	17,291,136	5,973,682
Building and improvements	36,681,505	37,679,425
Equipment and contents	716,498	850,229
Vehicles	1,699,051	1,549,277
Total	\$56,476,875	\$46,141,298
District's Capital Assets (Business-type Activities)		
Net of Depreciation	2012-2013	2011-2012
Building and improvement	\$ 571,478	\$ 617,820
Equipment and contents	18,919	8,320
Total	\$ 590,397	\$ 626,140

Long-Term Debt

There was a decrease of \$223,557 in the long-term debt for FY13. There remains a balance of \$41,185 to be paid for the Early Retirement Program that was approved in FY08. The Series 2012 general obligation refunding bond has a remaining balance in the amount of \$3,030,000, with an associated premium of \$63,972. Additional information is presented in Note 3 of the footnotes to the financial statements.

Factors Affecting the District's Future

The effect of state legislative action and the impacts of issues with the federal government related to educational processes and funding for school districts will continue to challenge the budgets and staffing requirements of the District. Coupled with this, as funding is based on student enrollment, static or decreasing student populations will most likely lead to decreased funding, placing further burden on the District's budget. Whatever the future holds, the District will continue to strive for operational efficiencies without adversely affecting the quality of education provided to its students.

Requests 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 the Mike Bowman, Superintendent, 400 Baldwin Creek Road, Lander, WY 82520.

BASIC FINANCIAL STATEMENTS

FREMONT COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION

June 30, 2013

	Primary Government			Component Unit
	Governmental	Business-type	Total	Recreation
	Activities	Activities		Board
ASSETS				
Current assets				
Cash and cash equivalents	\$ 7,900,544	\$ 1,278,039	\$ 9,178,583	\$ 362,789
Investments	-	-	-	94,388
Cash held by County Treasurer	69,035	-	69,035	2,018
Property taxes receivable	134,116	-	134,116	4,268
Internal balances	(32,049)	32,049	-	-
Grants receivable	494,119	-	494,119	-
Accounts receivable	-	6,701	6,701	-
Due from other governments	396,754	-	396,754	-
Inventory	187,666	825,207	1,012,873	-
Capital assets not being depreciated				
Land	28,685	-	28,685	-
Work of art	60,000	-	60,000	-
Construction in progress	17,291,136	-	17,291,136	-
Capital assets (net of accumulated depreciation)				
Buildings and improvements	36,681,505	571,478	37,252,983	-
Equipment and contents	716,498	18,919	735,417	-
Vehicles	1,699,051	-	1,699,051	-
Total assets	<u>65,627,060</u>	<u>2,732,393</u>	<u>68,359,453</u>	<u>463,463</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,121,285	-	1,121,285	-
Accrued wages payable	691,634	50,168	741,802	-
Unearned grant revenue	159,700	-	159,700	-
Noncurrent liabilities				
Due in one year				
Lease purchase obligation	280,727	-	280,727	-
Early retirement benefits	29,365	-	29,365	-
Bonds payable (net of unamortized premiums)	439,139	-	439,139	-
Compensated absences	109,004	-	109,004	-
Due in more than one year				
Lease purchase obligation	338,114	-	338,114	-
Early retirement benefits	11,820	-	11,820	-
Bonds payable (net of unamortized premiums)	2,654,833	-	2,654,833	-
Compensated absences	436,015	-	436,015	-
Total liabilities	<u>6,271,636</u>	<u>50,168</u>	<u>6,321,804</u>	<u>-</u>
NET POSITION				
Invested in capital assets, net of related debt	52,764,062	590,397	53,354,459	-
Restricted for				
Major maintenance	2,485,285	-	2,485,285	-
Bond indenture	76,092	-	76,092	-
Unrestricted	4,029,985	2,091,828	6,121,813	463,463
Total net position	<u>\$ 59,355,424</u>	<u>\$ 2,682,225</u>	<u>\$ 62,037,649</u>	<u>\$ 463,463</u>

See accompanying notes to financial statements

FREMONT 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	\$ 10,274,447	\$ -	\$ 422,473	\$ -
Special instruction	5,752,501	-	1,854,262	-
Student activities	933,195	-	-	-
Vocational education	531,982	-	28,392	-
Support services				
Pupil services	953,942	-	-	-
Instructional staff services	1,265,713	-	-	-
General administration services	347,133	-	129,170	-
School administration services	1,327,297	-	-	-
Business services	733,770	-	-	-
Operation and maintenance of plant services	5,103,367	-	-	-
Pupil transportation services	1,711,490	-	-	-
Central services	405,610	-	-	-
Facilities, acquisitions and construction services	442,164	-	-	10,816,749
Interest on long-term debt	59,813	-	-	-
Total governmental activities	29,842,424	-	2,434,297	10,816,749

See accompanying notes to financial statements

Net (Expenses) Revenues and Changes in Net Assets

Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Recreation Board	
\$ (9,851,974)	\$ -	\$ (9,851,974)	\$ -	-
(3,898,239)	-	(3,898,239)	-	-
(933,195)	-	(933,195)	-	-
(503,590)	-	(503,590)	-	-
(953,942)	-	(953,942)	-	-
(1,265,713)	-	(1,265,713)	-	-
(217,963)	-	(217,963)	-	-
(1,327,297)	-	(1,327,297)	-	-
(733,770)	-	(733,770)	-	-
(5,103,367)	-	(5,103,367)	-	-
(1,711,490)	-	(1,711,490)	-	-
(405,610)	-	(405,610)	-	-
10,374,585	-	10,374,585	-	-
(59,813)	-	(59,813)	-	-
(16,591,378)	-	(16,591,378)	-	-

(Continued)

FREMONT COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2013

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-type activities				
TIGER Joint Powers Board	\$ 1,569	\$ -	\$ -	\$ -
Food Service Fund	746,910	276,326	314,338	-
Swimming Pool Fund	597,454	132,314	-	-
Preschool Fund	44,431	50,353	-	-
Facilities Enterprise Fund	-	36,998	-	-
Total business-type activities	<u>1,390,364</u>	<u>495,991</u>	<u>314,338</u>	<u>-</u>
Total primary government (School District)	<u>\$ 31,232,788</u>	<u>\$ 495,991</u>	<u>\$ 2,748,635</u>	<u>\$ 10,816,749</u>
Component Unit				
Recreation Board	\$ 275,430	\$ -	\$ -	\$ -
Total component unit	<u>\$ 275,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for specific purposes

Major building and facility maintenance

Debt service

Recreation

Federal, State and Local aid not restricted to specific purposes

State Foundation Program

Other State sources

County sources

Unrestricted investment earnings

Unrestricted miscellaneous revenue

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year as previously reported

Prior period adjustment

Net position - beginning of year as restated

Net position - end of year

See accompanying notes to financial statements

Net (Expenses) Revenues and Changes in Net Assets

Primary Government		Component Unit	
Governmental Activities	Business-type Activities	Total	Recreation Board
\$ -	\$ (1,569)	\$ (1,569)	\$ -
-	(156,246)	(156,246)	-
-	(465,140)	(465,140)	-
-	5,922	5,922	-
-	36,998	36,998	-
-	(580,035)	(580,035)	-
(16,591,378)	(580,035)	(17,171,413)	-
-	-	-	(275,430)
-	-	-	(275,430)
8,118,961	-	8,118,961	-
1,069,896	-	1,069,896	-
481,199	-	481,199	-
-	-	-	319,183
15,308,041	-	15,308,041	-
6,702	-	6,702	-
1,918,154	-	1,918,154	-
29,250	4,093	33,343	-
438,755	-	438,755	900
(578,928)	578,928	-	-
26,792,030	583,021	27,375,051	320,083
10,200,652	2,986	10,203,638	44,653
49,222,873	2,679,239	51,902,112	418,810
(68,101)	-	(68,101)	-
49,154,772	2,679,239	51,834,011	418,810
\$ 59,355,424	\$ 2,682,225	\$ 62,037,649	\$ 463,463

FREMONT COUNTY SCHOOL DISTRICT #1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Federal and State Grants	Major Maintenance	Capital Projects
ASSETS				
Cash and cash equivalents	\$ 4,304,435	\$ 227,926	\$ 2,749,308	\$ 274,372
Cash held by County Treasurer	69,035	-	-	-
Property taxes receivable	127,667	-	-	-
Grants receivable	-	-	-	494,119
Due from other funds	-	9,500	-	1,000,000
Receivable from WSBAIT	396,754	-	-	-
Inventory	187,666	-	-	-
Total assets	<u>\$ 5,085,557</u>	<u>\$ 237,426</u>	<u>\$ 2,749,308</u>	<u>\$ 1,768,491</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 345,337	\$ -	\$ 264,023	\$ 511,925
Accrued wages payable	613,908	77,726	-	-
Due to other funds	1,095,132	-	-	100
Unearned grant revenue	-	159,700	-	-
Total liabilities	<u>2,054,377</u>	<u>237,426</u>	<u>264,023</u>	<u>512,025</u>
Deferred inflows of resources				
Deferred property tax revenues	62,422	-	-	-
Deferred receivable from WSBAIT	396,754	-	-	-
Total deferred inflows of resources	<u>459,176</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable				
Inventory	187,666	-	-	-
Restricted				
Major maintenance W.S. 21-15-109	-	-	2,485,285	-
Bond indenture	-	-	-	-
Committed				
Capital projects	-	-	-	1,256,466
Early retirement payments	-	-	-	-
Unassigned	2,384,338	-	-	-
Total fund balances	<u>2,572,004</u>	<u>-</u>	<u>2,485,285</u>	<u>1,256,466</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,085,557</u>	<u>\$ 237,426</u>	<u>\$ 2,749,308</u>	<u>\$ 1,768,491</u>

See accompanying notes to financial statements

Other Governmental Funds	Total Governmental Funds
\$ 76,092	\$ 7,632,133
-	69,035
6,449	134,116
-	494,119
53,683	1,063,183
-	396,754
-	187,666
<u>\$ 136,224</u>	<u>\$ 9,977,006</u>

\$ -	\$ 1,121,285
-	691,634
-	1,095,232
-	159,700
<u>-</u>	<u>3,067,851</u>

6,449	68,871
-	396,754
<u>6,449</u>	<u>465,625</u>

-	187,666
-	2,485,285
76,092	76,092
-	1,256,466
53,683	53,683
-	2,384,338
<u>129,775</u>	<u>6,443,530</u>

<u>\$ 136,224</u>	<u>\$ 9,977,006</u>
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FREMONT COUNTY SCHOOL DISTRICT #1

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2013**

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

Total fund balances - governmental funds		\$ 6,443,530
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		56,476,875
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		465,625
Internal service funds are used by management to charge the costs of health insurance to the various functions. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.		
Health Insurance Fund		
Current assets		268,411
Long-term liabilities, including lease purchase obligations and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		
Lease purchase obligation	\$ (618,841)	
Accrued compensated absences	(545,019)	
Early retirement benefits	(41,185)	
Bonds payable	(3,030,000)	
Less: Deferred premium on bonds (to be amortized over life of debt)	(63,972)	(4,299,017)
Net position of governmental activities		\$ 59,355,424

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

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

	General	Federal and State Grants	Major Maintenance
Revenues			
Taxes	\$ 8,056,538	\$ -	\$ -
Intergovernmental revenues	17,232,898	2,608,208	1,069,896
Charges for services	183,643	-	-
Miscellaneous	30,091	-	3,615
Total revenues	<u>25,503,170</u>	<u>2,608,208</u>	<u>1,073,511</u>
Expenditures			
Instruction			
Regular instruction	10,001,942	422,753	-
Special instruction	3,716,720	2,026,323	-
Student activities	930,705	-	-
Vocational instruction	457,707	28,392	-
Support services			
Pupil services	1,281,245	-	-
Instructional staff services	971,768	-	-
General administration services	210,450	130,740	-
School administration services	1,355,268	-	-
Business services	686,352	-	-
Operation and maintenance of plant services	2,860,708	-	942,811
Pupil transportation services	1,909,725	-	-
Central services	418,921	-	-
Facilities, acquisitions and construction	-	-	-
Debt service			
Principal	145,934	-	-
Interest and other charges	10,913	-	-
Total expenditures	<u>24,958,358</u>	<u>2,608,208</u>	<u>942,811</u>
Excess (deficiency) of revenues over expenditures	<u>544,812</u>	<u>-</u>	<u>130,700</u>
Other financing sources (uses)			
Gain on sale of assets	540	-	-
Proceeds from lease purchase	505,065	-	-
Transfers out	(578,928)	-	-
Total other financing sources (uses)	<u>(73,323)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	471,489	-	130,700
Fund balances - beginning of year	<u>2,100,515</u>	<u>-</u>	<u>2,354,585</u>
Fund balances - end of year	<u>\$ 2,572,004</u>	<u>\$ -</u>	<u>\$ 2,485,285</u>

See accompanying notes to financial statements

Capital Projects	Other Governmental Funds	Total
\$ -	\$ 492,915	\$ 8,549,453
-	-	20,911,002
-	-	183,643
10,817,973	3,810	10,855,489
<u>10,817,973</u>	<u>496,725</u>	<u>40,499,587</u>
-	107,126	10,531,821
-	-	5,743,043
-	-	930,705
-	-	486,099
-	-	1,281,245
-	-	971,768
-	-	341,190
-	-	1,355,268
-	-	686,352
-	-	3,803,519
-	-	1,909,725
-	-	418,921
11,794,087	-	11,794,087
-	420,000	565,934
-	58,039	68,952
<u>11,794,087</u>	<u>585,165</u>	<u>40,888,629</u>
<u>(976,114)</u>	<u>(88,440)</u>	<u>(389,042)</u>
-	-	540
-	-	505,065
-	-	(578,928)
<u>-</u>	<u>-</u>	<u>(73,323)</u>
(976,114)	(88,440)	(462,365)
2,232,580	218,215	6,905,895
<u>\$ 1,256,466</u>	<u>\$ 129,775</u>	<u>\$ 6,443,530</u>

FREMONT 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 \$ (462,365)

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 outlay and loss on disposal exceeded depreciation in the current period.

General government			
Capital outlay	\$	792,607	
Loss on disposal		(84,642)	
Additional construction in progress		11,317,454	
Depreciation expense		<u>(1,689,842)</u>	10,335,577

Governmental funds report payments on long-term debt as expenditures. However, in the statement of activities the principal paid is a reduction of the long-term liabilities. This is the amount of principal paid on long-term debt in the current period.

Principal paid on lease purchase obligations		145,934	
Principal paid on long-term debt		<u>420,000</u>	565,934

Certain revenues are not recognized as current financial resources and, therefore, are not reported as revenues in governmental funds.

Deferred revenue at June 30, 2013		465,625	
Deferred revenue at June 30, 2012		<u>(343,869)</u>	121,756

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Amortization of premium on bonds		<u>9,139</u>	9,139
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The decreases in compensated absences and in early retirement incentives do not use current financial resources of governmental funds. Thus, the change is not recorded in the governmental funds. This is the net effect of these differences and in the treatment.

Early retirement benefits as of June 30, 2013		(41,185)	
Early retirement benefits as of June 30, 2012		138,560	
Compensated absences as of June 30, 2013		(545,019)	
Compensated absences as of June 30, 2012		<u>601,193</u>	153,549

(Continued)

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

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

Governmental funds report lease-purchase proceeds as other financing sources; however, in the statement of activities the proceeds are an increase to long-term liabilities. This is the amount of the debt proceeds in the current period.

<u>(505,065)</u>	(505,065)
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Internal service activities are accounted for in a separate fund. However, in the statement of activities the activity of the Internal Service Fund has been eliminated and the excess revenue over expenditures has been recognized.

Internal Service Fund

Charges for services

3,924,300

Investment earnings

118

Expenditures

(3,942,291)

(17,873)

Change in net position of governmental activities

\$ 10,200,652

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental
	TIGER Joint Powers Board	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,097,041	\$ 180,998	\$ 1,278,039	\$ 268,411
Due from other funds	-	32,049	32,049	-
Accounts receivable	-	6,701	6,701	-
Inventory	805,394	19,813	825,207	-
Total current assets	1,902,435	239,561	2,141,996	268,411
Capital assets				
Building and improvements	-	1,375,000	1,375,000	-
Equipment	-	266,681	266,681	-
Less accumulated depreciation	-	(1,051,284)	(1,051,284)	-
Total capital assets (net of accumulated depreciation)	-	590,397	590,397	-
Total assets	1,902,435	829,958	2,732,393	268,411
LIABILITIES				
Current liabilities				
Accrued liabilities	-	50,168	50,168	-
Total liabilities	-	50,168	50,168	-
NET POSITION				
Investment in capital assets, net of related debt	-	590,397	590,397	-
Unrestricted	1,902,435	189,393	2,091,828	268,411
Total net position	\$ 1,902,435	\$ 779,790	\$ 2,682,225	\$ 268,411

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Business-type Activities-Enterprise Funds			Governmental
	TIGER Joint Powers Board	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
Operating revenues				
Charges for services	\$ -	\$ 495,991	\$ 495,991	\$ 3,924,300
Total operating revenues	-	495,991	495,991	3,924,300
Operating expenses				
Salaries	-	620,344	620,344	-
Benefits	-	189,980	189,980	-
Contractual services	1,569	40,569	42,138	3,942,291
Supplies	-	96,470	96,470	-
Direct food costs	-	343,177	343,177	-
Cost of commodities	-	36,126	36,126	-
Miscellaneous	-	26,386	26,386	-
Depreciation	-	35,743	35,743	-
Total operating expenses	1,569	1,388,795	1,390,364	3,942,291
Operating (loss)	(1,569)	(892,804)	(894,373)	(17,991)
Nonoperating revenue				
Investment earnings	4,093	-	4,093	118
Federal subsidy	-	314,338	314,338	-
Total nonoperating revenue	4,093	314,338	318,431	118
Income (loss) before transfers	2,524	(578,466)	(575,942)	(17,873)
Transfers in	-	578,928	578,928	-
Change in net position	2,524	462	2,986	(17,873)
Net position - beginning of year	1,899,911	779,328	2,679,239	286,284
Net position - end of year	\$ 1,902,435	\$ 779,790	\$ 2,682,225	\$ 268,411

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Business-type Activities - Enterprise Funds			Governmental
	TIGER Joint	Non-Major	Total	Internal
	Powers Board	Enterprise	Enterprise Funds	Service
		Funds	Enterprise Funds	Fund
Cash flows from operating activities				
Cash received from customers	\$ -	\$ 497,463	\$ 497,463	\$ 153,833
Cash paid to suppliers for goods and services	(2,954)	(500,722)	(503,676)	(3,942,291)
Cash paid to employees for services	-	(813,910)	(813,910)	-
Cash received from interfund services	-	-	-	3,770,467
Net cash (used in) operating activities	(2,954)	(817,169)	(820,123)	(17,991)
Cash flows from capital financing activities				
Net cash (used in) capital financing activities	-	-	-	-
Cash flows from noncapital financing activities				
Interfund settlement	-	(6,482)	(6,482)	-
Transfers	-	578,928	578,928	-
Federal reimbursement	-	281,721	281,721	-
Net cash provided by noncapital financing activities	-	854,167	854,167	-
Cash flows from investing activities				
Interest income	4,093	-	4,093	118
Net cash provided by investing activities	4,093	-	4,093	118
Net increase (decrease) in cash and cash equivalents	1,139	36,998	38,137	(17,873)
Cash and cash equivalents - beginning of year	1,095,902	144,000	1,239,902	286,284
Cash and cash equivalents - end of year	\$ 1,097,041	\$ 180,998	\$ 1,278,039	\$ 268,411
Reconciliation of operating (loss) to net cash (used in) operating activities				
Net (loss) from operations	\$ (1,569)	\$ (892,804)	\$ (894,373)	\$ (17,991)
Depreciation	-	35,743	35,743	-
Federal share of commodities	-	32,617	32,617	-
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities				
Accounts receivable	-	1,475	1,475	-
Due from other funds	-	(3)	(3)	-
Inventory	-	10,415	10,415	-
Accounts payable	(1,385)	(1,247)	(2,632)	-
Accrued liabilities	-	(3,365)	(3,365)	-
Net cash (used in) operating activities	\$ (2,954)	\$ (817,169)	\$ (820,123)	\$ (17,991)

Non-cash transactions:

The Food Service Fund received USDA commodities valued at \$32,617

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	Private-purpose Trust Fund	Agency Fund <u>Student Activities Fund</u>
ASSETS		
Cash and cash equivalents	\$ 14,212	\$ 690,395
Investments, at fair value	26,143	20,797
Interest receivable	15	-
Due from other funds	422	-
	<u>40,792</u>	<u>-</u>
Total assets	<u>40,792</u>	<u>\$ 711,192</u>
LIABILITIES		
Due to other funds	-	\$ 710,770
Due to student groups	-	422
	<u>-</u>	<u>711,192</u>
Total liabilities	<u>-</u>	<u>\$ 711,192</u>
NET POSITION		
Held in trust for scholarships	<u>\$ 40,792</u>	

See accompanying notes to financial statements

FREMONT COUNTY SCHOOL DISTRICT #1

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

	<u>Private-purpose Trust Fund</u>
Additions	
Investment earnings	
Net increase in fair value of investments	\$ 1,267
Interest	1,579
Total additions	<u>2,846</u>
Deductions	
Scholarship awards	750
Total deductions	<u>750</u>
Change in net position	2,096
Net position - beginning of year	<u>38,696</u>
Net position - end of year	<u><u>\$ 40,792</u></u>

See accompanying notes to financial statements

FREMONT 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 Fremont 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. Blended component units are legally separate entities which are in substance a part of a primary government operations; therefore, data from those units would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize they are legally separate from the District. Each discretely presented component unit has a June 30 year end.

Blended Component Unit - The *TIGER Joint Powers Board* was established for the purpose of creating, expanding, and financing infrastructure and improvements in order to facilitate the sale, lease and/or utilization of real estate for business development purposes of the real property commonly referred to as the Old Lander Valley High School Site. Three of the five member board are appointed by the District's Board of Trustees. The Joint Powers Board is presented as a business-type activity.

Discretely Presented Component Unit - 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 nine-member governing body of the Recreation Board is appointed by the District's Board of Trustees. Only two of the nine members also serve on the District's Board of Trustees. The Recreation Board is presented as a governmental fund type. The Recreation Board does not issue separate financial statements.

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the *direct expenses* of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

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

FREMONT 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

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.

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 and interest associated with the current fiscal period are all considered to be susceptible to accrual and thus 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 *federal and state grants fund* accounts for the proceeds of specific federal and state grant sources that are legally restricted to expenditure for specified purposes.

The *major maintenance fund* accounts for the proceeds of specific revenue sources for major maintenance or major capital projects that are restricted to expenditures for specified purposes.

The *capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

The District reports the following nonmajor governmental funds:

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and the liability associated with early retirement benefits.

The District has one major proprietary fund:

The *TIGER Joint Powers Board* which accounts for the activities of the blended business-type activities of the joint powers board.

FREMONT 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)

The District also maintains the following non-major proprietary funds:

The *food service fund* which accounts for the activities of the District's breakfast and lunch programs.

The *swimming pool fund* which accounts for the activities of the District's swimming program.

The *preschool fund* which accounts for the activities of the District's preschool program.

The *facilities enterprise fund* which accounts for rental income from the old Hudson School building.

Additionally, the District reports the following fund types:

Internal Service Fund - This fund is used to account for the collection and payment of premiums for the District's health insurance plans.

Private-Purpose Trust Fund - This 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.

Agency Fund - The agency fund accounts for resources held in a custodial capacity by the District, 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 results 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 to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

FREMONT 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

Deposits and 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.

Investments for the District 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 assets date.

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.

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 assets, except for the net residual amounts due between governmental and business-type activities.

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 Fremont 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, one-half mill is levied for BOCES and a recreation district tax of one mill is levied. 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-two and one-half mills.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. 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.

FREMONT 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

Capital assets, which include property, plant, 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 or sensitive items 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 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.

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

Assets	Years
Buildings	50
Building improvements	20
Vehicles	7-12
Equipment and contents	5-25

Compensated Absences

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

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.

FREMONT 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)

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

During the year ended June 30, 2013, the District implemented two new accounting standards, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, resulted in a change to the District's financial reporting. Those changes are reflected in this financial report. GASB No. 65, *Items Previously Reported as Assets and Liabilities*, resulted in a prior period adjustment for a change in accounting policies. See Note 3 for a further discussion of the change.

Reclassification

Certain balances of the prior year have been reclassified to conform with the presentation of the current year with no effect on net position.

Fund Equity

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 Board 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.

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 the net position is 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.

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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:

- a. 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.
- b. A public hearing is conducted on the third Wednesday in July to obtain public comments.
- c. The budget is adopted by the third Thursday of July.
- d. 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.
- e. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund.
- f. Budgets for the General, Special Revenue Funds, Capital Projects Fund and Debt Service Funds are adopted on a cash plus encumbrances and certain accounts payable basis (BUDGETARY). Such basis is not consistent with generally accepted accounting principles (GAAP).
- g. 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.

Note 3. Detailed Notes on All Funds

Deposits and Investments

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

Type	Fair Value	Interest Rate	Investment Maturity (in Years)				Investment Rating
			Less Than 1	1-5	6-10	More Than 10	
Investments							
Certificates of Deposit (term greater than 3 months)	\$ 94,388	0.4%-0.6%	\$ 94,388	\$ -	\$ -	\$ -	N/A

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Deposits and Investments (Continued)

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 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. The District's component unit's investments at June 30, 2013 were 100% invested in certificates of deposit; therefore the District's component unit is not exposed to credit risk.

Concentration of credit risk

The District does not have a formal policy that allows for or limits an investment in any one issuer to a specified percentage of the District's total investments. The certificates of deposit represent 100% of the total investments of the District at June 30, 2013.

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. The District does not have a formal policy for custodial credit risk; however, 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 as required by statutes.

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. The District does not have a formal policy for custodial credit; however, 100% of the District's investments are certificates of deposits held by the issuing financial institution, which therefore, eliminates the District's exposure to custodial credit risk for its investments.

Inventory

Inventory as of year-end for the District's individual major and nonmajor funds is as follows:

	General	Business-type activities	
	Fund	TIGER Joint Powers Board	Food Service Fund
Office and school supplies	\$ 187,666	\$ -	\$ -
Food and commodities	-	-	19,813
Land held for resale	-	281,652	-
Development costs	-	523,742	-
	<u>\$ 187,666</u>	<u>\$ 805,394</u>	<u>\$ 19,813</u>

FREMONT 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:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 28,685	\$ -	\$ -	\$ 28,685
Work of art	60,000	-	-	60,000
Construction in progress	5,973,682	11,317,454	-	17,291,136
Total capital assets, not being depreciated	<u>6,062,367</u>	<u>11,317,454</u>	<u>-</u>	<u>17,379,821</u>
Capital assets, being depreciated				
Buildings and improvements	47,150,498	-	-	47,150,498
Equipment and contents	3,181,848	303,862	87,688	3,398,022
Vehicles	4,131,447	488,745	341,165	4,279,027
Total capital assets, being depreciated	<u>54,463,793</u>	<u>792,607</u>	<u>428,853</u>	<u>54,827,547</u>
Less accumulated depreciation				
Buildings and improvements	9,471,073	997,920	-	10,468,993
Equipment and contents	2,331,619	402,700	52,795	2,681,524
Vehicles	2,582,170	289,222	291,416	2,579,976
Total accumulated depreciation	<u>14,384,862</u>	<u>1,689,842</u>	<u>344,211</u>	<u>15,730,493</u>
Total capital assets, being depreciated, net	<u>40,078,931</u>	<u>(897,235)</u>	<u>84,642</u>	<u>39,097,054</u>
Governmental activities capital assets, net	<u>\$ 46,141,298</u>	<u>\$ 10,420,219</u>	<u>\$ 84,642</u>	<u>\$ 56,476,875</u>
Business-type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 1,375,000	\$ -	\$ -	\$ 1,375,000
Equipment	266,681	-	-	266,681
	<u>1,641,681</u>	<u>-</u>	<u>-</u>	<u>1,641,681</u>
Less accumulated depreciation	1,015,541	35,743	-	1,051,284
Total capital assets, being depreciated, net	<u>\$ 626,140</u>	<u>\$ (35,743)</u>	<u>\$ -</u>	<u>\$ 590,397</u>

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

The equipment that is accounted for in governmental activities includes buses and copiers that were purchased under a capital lease purchase obligation in the amount of \$917,342, with associated accumulated depreciation of \$252,462. The current year depreciation for the buses and copiers of \$126,036 was charged to pupil transportation services and instruction within the general fund.

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

Governmental activities		
Instruction		
Regular instruction	\$	34,336
Special instruction		27,341
Student activities		1,815
Vocational instruction		45,551
Support services		
School administration services		66,072
Business services		4,239
Operation & maintenance of plant services		1,221,266
Pupil transportation services		289,222
		<u>1,689,842</u>
	\$	<u>1,689,842</u>
Business-type activities		
Food service fund	\$	4,789
Swimming pool		30,954
		<u>35,743</u>
	\$	<u>35,743</u>

Long-Term Debt

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

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
General obligation refunding bonds (Series 2012)	\$ 3,450,000	\$ -	\$ 420,000	\$ 3,030,000	\$ 430,000
Plus deferred amounts for premium on bonds	73,111	-	9,139	63,972	9,139
Total bonds payable	<u>3,523,111</u>	<u>-</u>	<u>429,139</u>	<u>3,093,972</u>	<u>439,139</u>
Lease purchase obligations	259,710	505,065	145,934	618,841	280,727
Early retirement benefits	138,560	-	97,375	41,185	29,365
Accrued compensated absences	601,193	-	56,174	545,019	109,004
Total	<u>\$ 4,522,574</u>	<u>\$ 505,065</u>	<u>\$ 728,622</u>	<u>\$ 4,299,017</u>	<u>\$ 858,235</u>

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt (Continued)

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

\$3,450,000 general obligation refunding bonds, Series 2012, interest ranging from 0.80% to 2.00% payable semi-annually, payments ranging from \$350,000 through \$460,000 principal and interest, due June 15, 2020, serviced by the Debt Service Fund	\$ 3,030,000
\$73,111 premium on bonds to be amortized as interest income over the life of the bonds	63,972
\$230,380 lease purchase obligation for purchase of buses, interest rate of 2.45% payable annually, principal and interest payments of \$79,722 through December 2013, serviced by the General Fund	78,287
\$488,745 lease purchase obligation for purchase of buses, interest rate of 2.00% payable annually, principal and interest payments of \$168,519 through July 2015, serviced by the General Fund	488,745
\$127,455 lease purchase obligation for purchase of copiers, interest rate of 9.05% payable monthly, principal and interest payments of \$4,117 through October 2013, serviced by the General Fund	16,161
\$54,442 lease purchase obligation for purchase of copiers, interest rate of 9.445% payable monthly, principal and interest payments of \$1,743 through July 2014, serviced by the General Fund	21,453
\$16,320 lease purchase obligation for purchase of copiers, interest rate of 4.945% payable monthly, principal and interest payments of \$489 through January 2016, serviced by the General Fund	14,195
Early retirement benefits	41,185
Vested compensated absences	545,019
	<u>4,299,017</u>
Less current maturities	858,235
	<u><u>\$ 3,440,782</u></u>

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt (Continued)

In order to be eligible for early retirement benefits, the employee applicant must have met the rule of 85 on or before October 1, 2008 and have five years of continuous/consecutive employment in this district or must be in or beyond his/her 20th consecutive year of employment in a full-time benefited position with the district. The employee will receive 25% of their 2007-2008 salary payable in one payment or over five years. The District will also pay for the costs of Plan 5 of the Districts' insurance program for five years or until the employee is no longer eligible. In no circumstance will the district pay for more than 5 years of insurance premiums. Regardless of which plan is chosen, the district will pay the costs of Plan 5 only. The applicant is responsible to pay the additional costs of any other plan. If the employee fails to pay his/her portion of the premium, this benefit is canceled. The initial total liability for this plan was \$846,653; the remaining balance of \$41,185 will be paid off by 2015.

The annual debt requirements to maturity for all debt outstanding as of June 30, 2013, except for vested compensated absences are as follows:

Year ending June 30	General Obligation Bond Series 2012		Premium on Bonds	Early Retirement Benefits	Total
	Principal	Interest			
2014	\$ 430,000	\$ 46,440	\$ 9,139	\$ 29,365	\$ 485,579
2015	440,000	37,840	9,139	11,820	486,979
2016	445,000	29,040	9,139	-	483,179
2017	450,000	25,480	9,139	-	484,619
2018	455,000	21,205	9,139	-	485,344
2019-2020	810,000	23,200	18,277	-	851,477
	<u>\$3,030,000</u>	<u>\$ 183,205</u>	<u>\$ 63,972</u>	<u>\$ 41,185</u>	<u>\$ 3,277,177</u>

Future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 2013 are as follows:

Year ending June 30,

2014	\$ 291,383
2015	176,026
2016	171,840
Total minimum debt payments	639,249
Less: amount representing interest	20,408
Present value of minimum debt payments	<u>\$ 618,841</u>

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Prior-year Defeasance of Debt

In fiscal year 2012, the District defeased its Series 2001 General Obligation Bonds by placing the proceeds of the newly created Series 2012 General Obligation Refunding Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2013, \$3,135,000 of bonds outstanding is considered defeased.

Retirement Plan

The Board 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.

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 currently pays 100% of the required employee's contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The District's contributions to the System for the years ending June 30, 2013, 2012 and 2011 were \$2,222,471, \$1,922,386, and \$1,726,017, respectively, which equaled 100% of the required contributions for each respective 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 District will have the option to pay or not pay the additional employee contribution.

Budget Amendments

The District amended its budgets during the year as follows:

	<u>Increase</u>	<u>Decrease</u>
General Fund		
Transfers	\$ 29,000	\$ -
	<u>29,000</u>	<u>-</u>
Swimming Pool Fund		
Supplies	38,000	-
	<u>38,000</u>	<u>-</u>
	<u>\$ 67,000</u>	<u>\$ -</u>

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Individual Interfund Receivables, Payables and Transfers

Individual fund interfund receivables and payable balances are as follows:

	Receivable	Payable
General Fund	\$ -	\$ 1,095,132
Special Revenue Funds		
Federal and State Grants Fund	9,500	100
Capital Projects Fund		
Capital Projects Fund	1,000,000	-
Debt Service Fund		
Early Retirement Fund	53,683	-
Enterprise Funds		
Preschool Fund	32,046	-
Food Service Fund	3	-
Fiduciary Funds		
Scholarship Fund	422	-
Student Activities Fund	-	422
	\$ 1,095,654	\$ 1,095,654

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

Operating transfers during the year were as follows:

	In	Out
Governmental activities		
General Fund	\$ -	\$ 578,928
Business-type activities		
Food Service Fund	142,469	-
Swimming Pool Fund	436,459	-
	\$ 578,928	\$ 578,928

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 as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in accordance with budgetary authorizations.

Risk Management

General Liability

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

The District contributes to 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.

FREMONT COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Commitments

As of June 30, 2013, the District had one outstanding construction contract for the Gannett Peak Elementary School. The contract amount of the new Gannett Peak Elementary School (construction and architectural fees) is \$17,312,391. The District incurred costs through June 30, 2013 of \$17,291,136, resulting in \$21,255 remaining on the contract. The building was substantially complete in fiscal year 2013 and will be placed in service in fiscal year 2014.

Prior Period Adjustment

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 change the accepted accounting for costs of issuance among 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 require 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. Implementation GASB Statement No. 65 resulted in the following changes to information previously reported:

	June 30, 2012
Net position, beginning of year - as previously reported	\$ 49,222,873
Prior period adjustment - bond issuance costs	(68,101)
Net position, beginning of year - as restated	\$ 49,154,772
Costs of issuance and other related costs - as previously restated	\$ 68,101
Prior period adjustment - bond issuance costs	(68,101)
Costs of issuance and other related costs - as restated	\$ -

Accounting Standards Issue, But Not Implemented

As of June 30, 2013, the Governmental Accounting Standards Board had issued the following standards which the District will 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.

REQUIRED SUPPLEMENTARY INFORMATION

FREMONT 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 Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Taxes				
Special district taxes	\$ 7,016,711	\$ 7,016,711	\$ 7,233,397	\$ 216,686
Motor vehicle taxes	760,000	760,000	815,010	55,010
Other local taxes	20,000	20,000	128,653	108,653
Total taxes	<u>7,796,711</u>	<u>7,796,711</u>	<u>8,177,060</u>	<u>380,349</u>
Intergovernmental revenues				
6-mill county taxes	1,585,000	1,585,000	1,578,325	(6,675)
County motor vehicle taxes	160,000	160,000	162,950	2,950
Fines and forfeitures	160,000	160,000	172,431	12,431
Forest reserve revenue	10,000	10,000	7,608	(2,392)
Taylor grazing	-	-	2,401	2,401
Foundation program	15,365,000	15,365,000	15,306,116	(58,884)
Foundation adjustment	-	-	1,925	1,925
Shortfall	6,200	6,200	6,702	502
Total intergovernmental revenues	<u>17,286,200</u>	<u>17,286,200</u>	<u>17,238,458</u>	<u>(47,742)</u>
Charges for services				
Tuition	730,000	730,000	-	(730,000)
Co-op programs	200,000	200,000	169,426	(30,574)
Student activities and fines	17,000	17,000	14,216	(2,784)
Total charges for services	<u>947,000</u>	<u>947,000</u>	<u>183,642</u>	<u>(763,358)</u>
Miscellaneous				
Earnings on investments	24,000	24,000	20,551	(3,449)
Sale of fixed assets	-	-	540	540
Miscellaneous	5,000	5,000	9,609	4,609
Total miscellaneous	<u>29,000</u>	<u>29,000</u>	<u>30,700</u>	<u>1,700</u>
Total revenues	<u>26,058,911</u>	<u>26,058,911</u>	<u>25,629,860</u>	<u>(429,051)</u>

(Continued)

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Instruction				
Elementary instruction				
Salaries	\$ 3,251,900	\$ 3,251,900	\$ 3,208,123	\$ 43,777
Employee benefits	1,296,800	1,296,800	1,292,806	3,994
Purchased services	96,125	96,125	67,986	28,139
Supplies and materials	283,248	283,248	219,380	63,868
Capital outlay	172,685	172,685	199,470	(26,785)
Other objects	700	700	115	585
Total elementary instruction	<u>5,101,458</u>	<u>5,101,458</u>	<u>4,987,880</u>	<u>113,578</u>
Middle/junior high school instruction				
Salaries	1,384,000	1,384,000	1,373,466	10,534
Employee benefits	538,100	538,100	527,776	10,324
Purchased services	52,550	52,550	37,039	15,511
Supplies and materials	99,553	99,553	77,455	22,098
Capital outlay	14,679	14,679	9,938	4,741
Other objects	4,000	4,000	1,600	2,400
Total middle/junior high school instruction	<u>2,092,882</u>	<u>2,092,882</u>	<u>2,027,274</u>	<u>65,608</u>
Senior high instruction				
Salaries	2,040,400	2,040,400	2,011,843	28,557
Employee benefits	833,730	833,730	829,260	4,470
Purchased services	204,272	204,272	173,244	31,028
Supplies and materials	183,385	183,385	141,418	41,967
Capital outlay	18,947	18,947	21,822	(2,875)
Other objects	8,970	8,970	3,351	5,619
Total senior high instruction	<u>3,289,704</u>	<u>3,289,704</u>	<u>3,180,938</u>	<u>108,766</u>
Students with disabilities				
Salaries	2,138,500	2,138,500	2,170,089	(31,589)
Employee benefits	1,121,520	1,121,520	1,133,018	(11,498)
Purchased services	187,300	187,300	222,717	(35,417)
Supplies and materials	35,924	35,924	66,751	(30,827)
Capital outlay	16,500	16,500	17,586	(1,086)
Other objects	500	500	500	-
Total special education	<u>3,500,244</u>	<u>3,500,244</u>	<u>3,610,661</u>	<u>(110,417)</u>

(Continued)

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Instruction (Continued)				
Tuition for students with disabilities				
Purchased services	\$ 300,000	\$ 300,000	\$ 208,319	\$ 91,681
Total tuition for students with disabilities	300,000	300,000	208,319	91,681
Homebound programs				
Salaries	7,500	7,500	515	6,985
Employee benefits	574	574	50	524
Total homebound programs	8,074	8,074	565	7,509
Other special programs				
Purchased services	10,000	10,000	12,479	(2,479)
Total homebound programs	10,000	10,000	12,479	(2,479)
Elementary activities				
Salaries	6,000	6,000	-	6,000
Employee benefits	1,305	1,305	-	1,305
Purchased services	-	-	11,121	(11,121)
Total elementary field trips	7,305	7,305	11,121	(3,816)
Middle/junior high school activities				
Salaries	115,000	115,000	117,266	(2,266)
Employee benefits	25,040	25,040	24,180	860
Purchased services	14,500	14,500	22,548	(8,048)
Supplies and materials	5,439	5,439	6,511	(1,072)
Capital outlay	2,025	2,025	-	2,025
Other objects	750	750	3,685	(2,935)
Total middle/junior high school activities	162,754	162,754	174,190	(11,436)
High school activities				
Salaries	390,000	390,000	383,611	6,389
Employee benefits	95,100	95,100	81,493	13,607
Purchased services	174,300	174,300	200,667	(26,367)
Supplies and materials	87,336	87,336	72,104	15,232
Capital outlay	10,350	10,350	-	10,350
Other objects	16,050	16,050	13,451	2,599
Total high school field trips	773,136	773,136	751,326	21,810

(Continued)

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Instruction (Continued)				
Vocation instruction - high school				
Salaries	\$ 282,800	\$ 282,800	\$ 278,709	\$ 4,091
Employee benefits	126,000	126,000	123,580	2,420
Purchased services	9,066	9,066	13,272	(4,206)
Supplies and materials	38,229	38,229	37,740	489
Capital outlay	4,500	4,500	-	4,500
Other objects	750	750	310	440
Total vocation instruction - high school	<u>461,345</u>	<u>461,345</u>	<u>453,611</u>	<u>7,734</u>
Total instruction	<u>15,706,902</u>	<u>15,706,902</u>	<u>15,418,364</u>	<u>288,538</u>
Instructional support				
Guidance services				
Salaries	216,500	216,500	228,094	(11,594)
Employee benefits	105,000	105,000	93,298	11,702
Purchased services	5,386	5,386	4,624	762
Supplies and materials	3,955	3,955	1,841	2,114
Total guidance services	<u>330,841</u>	<u>330,841</u>	<u>327,857</u>	<u>2,984</u>
Social work services				
Salaries	312,900	312,900	312,914	(14)
Employee benefits	119,700	119,700	119,489	211
	<u>432,600</u>	<u>432,600</u>	<u>432,403</u>	<u>197</u>
Nursing services				
Salaries	217,600	217,600	210,007	7,593
Employee benefits	113,937	113,937	119,513	(5,576)
Purchased services	1,710	1,710	1,315	395
Supplies and materials	8,080	8,080	5,726	2,354
Total nursing services	<u>341,327</u>	<u>341,327</u>	<u>336,561</u>	<u>4,766</u>
Psychological services				
Salaries	147,000	147,000	147,450	(450)
Employee benefits	52,700	52,700	52,773	(73)
Total psychological services	<u>199,700</u>	<u>199,700</u>	<u>200,223</u>	<u>(523)</u>
Appraisal services				
Salaries	10,000	10,000	-	10,000
Employee benefits	2,177	2,177	-	2,177
Purchased services	-	-	5,490	(5,490)
Supplies and materials	-	-	218	(218)
Total appraisal services	<u>12,177</u>	<u>12,177</u>	<u>5,708</u>	<u>6,469</u>

(Continued)

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

GENERAL FUND (CONTINUED)

Year Ended June 30, 2013

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Instructional Support (Continued)				
Instruction and curriculum				
Development services				
Salaries	\$ 167,650	\$ 167,650	\$ 137,943	\$ 29,707
Employee benefits	57,210	57,210	47,760	9,450
Purchased services	59,850	59,850	58,255	1,595
Supplies and materials	13,600	13,600	847	12,753
Capital outlay	9,000	9,000	-	9,000
Other objects	600	600	265	335
Total instruction and curriculum development services	<u>307,910</u>	<u>307,910</u>	<u>245,070</u>	<u>62,840</u>
Education media services				
Salaries	350,300	350,300	351,810	(1,510)
Employee benefits	156,060	156,060	157,277	(1,217)
Purchased services	3,100	3,100	4,700	(1,600)
Supplies and materials	49,474	49,474	46,271	3,203
Capital outlay	4,365	4,365	3,520	845
Total education media services	<u>563,299</u>	<u>563,299</u>	<u>563,578</u>	<u>(279)</u>
Special education supervision				
Salaries	133,500	133,500	133,285	215
Employee benefits	49,800	49,800	49,546	254
Purchased services	7,200	7,200	4,835	2,365
Supplies and materials	900	900	55	845
Total special education supervision	<u>191,400</u>	<u>191,400</u>	<u>187,721</u>	<u>3,679</u>
Total instructional support	<u>2,379,254</u>	<u>2,379,254</u>	<u>2,299,121</u>	<u>80,133</u>
General support				
Central administration				
Salaries	192,900	192,900	191,740	1,160
Employee benefits	64,100	64,100	62,912	1,188
Purchased services	21,000	21,000	4,894	16,106
Supplies and materials	5,400	5,400	1,142	4,258
Capital outlay	2,700	2,700	-	2,700
Other objects	6,000	6,000	6,000	-
Total central administration	<u>292,100</u>	<u>292,100</u>	<u>266,688</u>	<u>25,412</u>
State and Federal regulations services				
Salaries	-	-	(238)	238
Employee benefits	4,997	4,997	-	4,997
Total state and federal regulations services	<u>4,997</u>	<u>4,997</u>	<u>(238)</u>	<u>5,235</u>

(Continued)

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
General Support (Continued)				
Board of education services				
Purchased services	\$ 104,500	\$ 104,500	\$ 29,945	\$ 74,555
Supplies and materials	6,300	6,300	6,977	(677)
Other objects	16,000	16,000	15,730	270
Total board of education services	126,800	126,800	52,652	74,148
School administration				
Salaries	981,760	981,760	965,541	16,219
Employee benefits	385,410	385,410	369,338	16,072
Purchased services	38,077	38,077	12,998	25,079
Supplies and materials	14,560	14,560	8,863	5,697
Capital outlay	3,150	3,150	-	3,150
Other objects	4,725	4,725	2,205	2,520
Total school administration	1,427,682	1,427,682	1,358,945	68,737
Business administration				
Salaries	330,900	330,900	353,591	(22,691)
Employee benefits	147,525	147,525	144,203	3,322
Purchased services	98,790	98,790	98,140	650
Supplies and materials	19,409	19,409	23,194	(3,785)
Capital outlay	20,700	20,700	11,716	8,984
Other objects	2,000	2,000	211	1,789
Total business administration	619,324	619,324	631,055	(11,731)
Operation and maintenance of plant services				
Salaries	4,400	4,400	4,400	-
Employee benefits	1,300	1,300	1,153	147
Purchased services	1,500	1,500	2,163	(663)
Total operation and maintenance of plant services	7,200	7,200	7,716	(516)
Operating building services				
Salaries	1,150,500	1,150,500	1,032,951	117,549
Employee benefits	526,670	526,670	533,701	(7,031)
Purchased services	405,040	405,040	382,342	22,698
Supplies and maintenance	896,300	896,300	922,715	(26,415)
Capital outlay	59,400	59,400	12,381	47,019
Other objects	1,200	1,200	1,530	(330)
Total operating building services	3,039,110	3,039,110	2,885,620	153,490

(Continued)

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND (CONTINUED)
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
General Support (Continued)				
Pupil transportation to/from school				
Salaries	\$ 605,900	\$ 605,900	\$ 601,063	\$ 4,837
Employee benefits	338,156	338,156	259,035	79,121
Purchased services	99,640	99,640	73,873	25,767
Supplies and materials	338,950	338,950	272,500	66,450
Capital outlay	105,300	105,300	79,648	25,652
Other objects	300	300	93	207
Total pupil transportation to/from school	<u>1,488,246</u>	<u>1,488,246</u>	<u>1,286,212</u>	<u>202,034</u>
Activities transportation				
Salaries	98,000	98,000	88,453	9,547
Employee benefits	18,007	18,007	13,411	4,596
Purchased services	26,800	26,800	18,018	8,782
Supplies and materials	80,000	80,000	62,673	17,327
Capital outlay	2,700	2,700	-	2,700
Total activities transportation	<u>225,507</u>	<u>225,507</u>	<u>182,555</u>	<u>42,952</u>
Transportation other				
Employee benefits	-	-	7,593	(7,593)
Purchased services	20,500	20,500	14,266	6,234
Supplies and materials	33,000	33,000	38,496	(5,496)
Capital outlay	15,300	15,300	-	15,300
Other objects	50	50	-	50
Total transportation other	<u>68,850</u>	<u>68,850</u>	<u>60,355</u>	<u>8,495</u>
Technology coordination				
Salaries	172,700	172,700	176,730	(4,030)
Employee benefits	64,300	64,300	70,681	(6,381)
Purchased services	32,500	32,500	17,930	14,570
Supplies and materials	67,726	67,726	90,475	(22,749)
Capital outlay	74,505	74,505	75,151	(646)
Total technology coordination	<u>411,731</u>	<u>411,731</u>	<u>430,967</u>	<u>(19,236)</u>
Total general support	<u>7,711,547</u>	<u>7,711,547</u>	<u>7,162,527</u>	<u>549,020</u>
Total expenditures	<u>25,797,703</u>	<u>25,797,703</u>	<u>24,880,012</u>	<u>917,691</u>
Excess of revenues over expenditures	<u>261,208</u>	<u>261,208</u>	<u>749,848</u>	<u>488,640</u>
Other financing (uses)				
Operating transfer out	(550,000)	(579,000)	(578,928)	72
Total other financing (uses)	<u>(550,000)</u>	<u>(579,000)</u>	<u>(578,928)</u>	<u>72</u>
Net change in fund balance	(288,792)	(317,792)	170,920	488,712
Fund balance - beginning of year	<u>4,041,599</u>	<u>4,041,599</u>	<u>4,041,599</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,752,807</u>	<u>\$ 3,723,807</u>	<u>\$ 4,212,519</u>	<u>\$ 488,712</u>

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 4,000,000	\$ 4,000,000	\$ 2,593,998	\$ (1,406,002)
Total revenues	<u>4,000,000</u>	<u>4,000,000</u>	<u>2,593,998</u>	<u>(1,406,002)</u>
Expenditures				
Instructional	3,800,000	3,800,000	2,467,671	1,332,329
General support	200,000	200,000	130,740	69,260
Total expenditures	<u>4,000,000</u>	<u>4,000,000</u>	<u>2,598,411</u>	<u>1,401,589</u>
Excess (deficiency) of revenues over expenditures	-	-	(4,413)	(4,413)
Fund balance - beginning of year	<u>241,839</u>	<u>241,839</u>	<u>241,839</u>	<u>-</u>
Fund balance - end of year	<u>\$ 241,839</u>	<u>\$ 241,839</u>	<u>\$ 237,426</u>	<u>\$ (4,413)</u>

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 1,069,896	\$ 1,069,896	\$ 1,069,896	\$ -
Miscellaneous revenue	6,500	6,500	3,608	(2,892)
Total revenues	1,076,396	1,076,396	1,073,504	(2,892)
Expenditures				
Facilities, acquisitions and construction services	2,000,000	2,000,000	835,483	1,164,517
Total expenditures	2,000,000	2,000,000	835,483	1,164,517
Excess (deficiency) of revenues over expenditures	(923,604)	(923,604)	238,021	1,161,625
Fund balance - beginning of year	2,511,031	2,511,031	2,511,031	-
Fund balance - end of year	<u>\$ 1,587,427</u>	<u>\$ 1,587,427</u>	<u>\$ 2,749,052</u>	<u>\$ 1,161,625</u>

See accompanying note to required supplementary information

FREMONT COUNTY SCHOOL DISTRICT # 1

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

Note 1. Explanation of Differences Between Budgetary Basis and GAAP Basis

	<u>General Fund</u>	<u>Federal and State Fund</u>	<u>Major Maintenance Fund</u>
Revenues			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 25,629,860	\$ 2,593,998	\$ 1,073,504
Differences - Budgetary Basis to GAAP			
Sale of capital assets	(540)	-	-
Accrual of property taxes receivable	(215,451)	-	-
Deferred revenue	89,370	14,210	-
Interest income	(69)	-	7
	<u> </u>	<u> </u>	<u> </u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 25,503,170</u>	<u>\$ 2,608,208</u>	<u>\$ 1,073,511</u>
Expenditures			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 24,880,012	\$ 2,598,411	\$ 835,483
Differences - Budgetary Basis to GAAP			
Accrual of accounts payable	268,094	-	107,328
Accrued salaries and benefits payable	(49,369)	9,797	-
IBNR payable	(434,097)	-	-
Due to other funds	323,081	-	-
Inventory adjustment	(63,522)	-	-
Miscellaneous	34,159	-	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 24,958,358</u>	<u>\$ 2,608,208</u>	<u>\$ 942,811</u>

OTHER SUPPLEMENTARY INFORMATION

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental revenue	\$ 13,000,000	\$ 13,000,000	\$ 11,058,706	\$ (1,941,294)
Miscellaneous revenue	2,000	2,000	1,271	(729)
Total revenues	<u>13,002,000</u>	<u>13,002,000</u>	<u>11,059,977</u>	<u>(1,942,023)</u>
Expenditures				
Facilities, acquisitions and construction services	<u>13,250,000</u>	<u>13,250,000</u>	<u>12,054,996</u>	<u>1,195,004</u>
Total expenditures	<u>13,250,000</u>	<u>13,250,000</u>	<u>12,054,996</u>	<u>1,195,004</u>
Excess (deficiency) of revenues over expenditures	(248,000)	(248,000)	(995,019)	(747,019)
Fund balance - beginning of year	<u>1,269,240</u>	<u>1,269,240</u>	<u>1,269,240</u>	<u>-</u>
Fund balance - end of year	<u>\$ 1,021,240</u>	<u>\$ 1,021,240</u>	<u>\$ 274,221</u>	<u>\$ (747,019)</u>

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and the liability associated with early retirement benefits.

FREMONT COUNTY SCHOOL DISTRICT #1

BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	<u>Debt Service Funds</u>		<u>Nonmajor Governmental Funds Total</u>
	<u>Debt Service Fund</u>	<u>Early Retirement Fund</u>	
ASSETS			
Cash and cash equivalents	\$ 76,092	\$ -	\$ 76,092
Due from other funds	-	53,683	53,683
Taxes receivable	6,449	-	6,449
	<u>6,449</u>	<u>-</u>	<u>6,449</u>
Total assets	<u>\$ 82,541</u>	<u>\$ 53,683</u>	<u>\$ 136,224</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Deferred inflows of resources			
Deferred property tax revenues	\$ 6,449	\$ -	\$ 6,449
	<u>6,449</u>	<u>-</u>	<u>6,449</u>
Total deferred inflow of resources	<u>6,449</u>	<u>-</u>	<u>6,449</u>
Fund balances			
Restricted			
Bond indenture	76,092	-	76,092
Committed			
Early retirement payments	-	53,683	53,683
	<u>-</u>	<u>53,683</u>	<u>53,683</u>
Total fund balance	<u>76,092</u>	<u>53,683</u>	<u>129,775</u>
Total deferred inflows of resources and fund balance	<u>\$ 82,541</u>	<u>\$ 53,683</u>	<u>\$ 136,224</u>

FREMONT COUNTY SCHOOL DISTRICT #1

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2013**

	<u>Debt Service Funds</u>		Nonmajor Governmental Funds Total
	<u>Debt Service Fund</u>	<u>Early Retirement Fund</u>	
Revenues			
Taxes	\$ 492,915	\$ -	\$ 492,915
Miscellaneous	3,810	-	3,810
Total revenues	<u>496,725</u>	<u>-</u>	<u>496,725</u>
Expenditures			
Regular instruction	-	107,126	107,126
Principal	420,000	-	420,000
Interest	58,039	-	58,039
Total expenditures	<u>478,039</u>	<u>107,126</u>	<u>585,165</u>
Net change in fund balance	18,686	(107,126)	(88,440)
Fund balances - beginning of year	<u>57,406</u>	<u>160,809</u>	<u>218,215</u>
Fund balances - end of year	<u>\$ 76,092</u>	<u>\$ 53,683</u>	<u>\$ 129,775</u>

NONMAJOR PROPRIETARY FUNDS

FREMONT COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities - Enterprise Funds				
	Food Service Fund	Swimming Pool Fund	Preschool Fund	Facilities Enterprise Fund	Totals
ASSETS					
Current assets					
Cash	\$ -	\$ -	\$ -	\$ 180,998	\$ 180,998
Due from other funds	3	-	32,046	-	32,049
Accounts receivable	6,701	-	-	-	6,701
Inventory	19,813	-	-	-	19,813
Total current assets	<u>26,517</u>	<u>-</u>	<u>32,046</u>	<u>180,998</u>	<u>239,561</u>
Capital assets					
Building and improvements	-	1,375,000	-	-	1,375,000
Equipment	137,446	129,235	-	-	266,681
Less accumulated depreciation	(133,915)	(917,369)	-	-	(1,051,284)
Total capital assets (net of accumulated depreciation)	<u>3,531</u>	<u>586,866</u>	<u>-</u>	<u>-</u>	<u>590,397</u>
Total assets	<u>30,048</u>	<u>586,866</u>	<u>32,046</u>	<u>180,998</u>	<u>829,958</u>
LIABILITIES					
Current liabilities					
Accounts payable	-	-	-	-	-
Accrued liabilities	18,205	30,283	1,680	-	50,168
Total liabilities	<u>18,205</u>	<u>30,283</u>	<u>1,680</u>	<u>-</u>	<u>50,168</u>
NET POSITION					
Investment in capital assets	3,531	586,866	-	-	590,397
Unrestricted	8,312	(30,283)	30,366	180,998	189,393
Total net position	<u>\$ 11,843</u>	<u>\$ 556,583</u>	<u>\$ 30,366</u>	<u>\$ 180,998</u>	<u>\$ 779,790</u>

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Business-type Activities - Enterprise Funds				Totals
	Food Service Fund	Swimming Pool Fund	Preschool Fund	Facilities Enterprise Fund	
Operating revenues					
Charges for services	\$ 276,326	\$ 132,314	\$ 50,353	\$ 36,998	\$ 495,991
Total operating revenues	<u>276,326</u>	<u>132,314</u>	<u>50,353</u>	<u>36,998</u>	<u>495,991</u>
Operating expenses					
Salaries	229,595	354,700	36,049	-	620,344
Benefits	115,328	66,270	8,382	-	189,980
Contractual services	2,774	37,795	-	-	40,569
Supplies	6,179	90,291	-	-	96,470
Direct food costs	343,177	-	-	-	343,177
Cost of commodities	36,126	-	-	-	36,126
Miscellaneous	8,942	17,444	-	-	26,386
Other supplies and expenses	-	-	-	-	-
Depreciation	4,789	30,954	-	-	35,743
Total operating expenses	<u>746,910</u>	<u>597,454</u>	<u>44,431</u>	<u>-</u>	<u>1,388,795</u>
Operating income (loss)	<u>(470,584)</u>	<u>(465,140)</u>	<u>5,922</u>	<u>36,998</u>	<u>(892,804)</u>
Nonoperating revenue					
Federal subsidy	314,338	-	-	-	314,338
Total nonoperating revenue	<u>314,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,338</u>
Income (loss) before transfers	(156,246)	(465,140)	5,922	36,998	(578,466)
Transfers in	142,469	436,459	-	-	578,928
Change in net position	(13,777)	(28,681)	5,922	36,998	462
Net position - beginning of year	25,620	585,264	24,444	144,000	779,328
Net position - end of year	<u>\$ 11,843</u>	<u>\$ 556,583</u>	<u>\$ 30,366</u>	<u>\$ 180,998</u>	<u>\$ 779,790</u>

FREMONT COUNTY SCHOOL DISTRICT #1

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

	Business type Activities - Enterprise Funds				Totals
	Food Service Fund	Swimming Pool Fund	Preschool Fund	Facilities Enterprise Fund	
Cash flows from operating activities					
Cash received from customers	\$ 277,798	\$ 132,314	\$ 50,353	\$ 36,998	\$ 497,463
Cash paid to suppliers for goods and services	(354,166)	(146,556)	-	-	(500,722)
Cash paid to employees for services	(347,822)	(422,217)	(43,871)	-	(813,910)
Net cash provided by (used in) operating activities	(424,190)	(436,459)	6,482	36,998	(817,169)
Cash flows from capital financing activities					
Net cash provided by (used in) capital financing activities	-	-	-	-	-
Cash flows from noncapital financing activities					
Interfund settlement	-	-	(6,482)	-	(6,482)
Operating transfers	142,469	436,459	-	-	578,928
Federal reimbursement	281,721	-	-	-	281,721
Net cash provided by (used in) noncapital financing activities	424,190	436,459	(6,482)	-	854,167
Cash flows from investing activities					
Net increase in cash and cash equivalents	-	-	-	36,998	36,998
Cash and cash equivalents - beginning of year	-	-	-	144,000	144,000
Cash and cash equivalents - end of year	\$ -	\$ -	\$ -	\$ 180,998	\$ 180,998
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (470,584)	\$ (465,140)	\$ 5,922	\$ 36,998	\$ (892,804)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	4,789	30,954	-	-	35,743
Federal share of commodities	32,617	-	-	-	32,617
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets and liabilities					
Accounts receivable	1,475	-	-	-	1,475
Due from other funds	(3)	-	-	-	(3)
Inventory	10,415	-	-	-	10,415
Accounts payable	-	(1,247)	-	-	(1,247)
Accrued liabilities	(2,899)	(1,026)	560	-	(3,365)
Net cash provided by (used in) operating activities	\$ (424,190)	\$ (436,459)	\$ 6,482	\$ 36,998	\$ (817,169)

Non-cash transactions

The Lunch Fund received USDA commodities valued at \$32,617

SINGLE AUDIT SECTION

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

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantors Number	Expenditures
<i>U.S. Department of Agriculture</i>			
Passed Through the State of Wyoming			
Department of Education			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	None	\$ 44,514
National School Lunch Program	10.555	None	216,394
Federal Share of USDA Commodities	10.555	None	32,617
Summer Food Service Program for Children	10.559	None	21,531
Total Child Nutrition Cluster			<u>315,056</u>
Total U.S. Department of Agriculture			<u>315,056</u>
<i>U.S. Department of Interior</i>			
Direct			
Indian Education Assistance to Schools	15.130	None	6,039
Total U.S. Department of Interior			<u>6,039</u>
<i>U.S. Department of Education</i>			
Passed Through the State of Wyoming			
Department of Education			
<i>Title I, Part A Cluster</i>			
Title I Grants to Local Educational Agencies	84.010A	1307013T1A00	299,650
Title I Grants to Local Educational Agencies	84.010A	1207012T1A00	286,034
Title I Grants to Local Educational Agencies	84.010A	1307013TID00	29,096
Title I Grants to Local Educational Agencies	84.010A	1207012TID00	43,849
Title I Grants to Local Educational Agencies	84.010A	110701ND200	5,095
Total Title, Part A Cluster			<u>663,724</u>
<i>Special Education Cluster (IDEA)</i>			
Special Education - Grants to States	84.027A	1307013T6100	218,160
Special Education - Grants to States	84.027A	1207012T6100	344,779
Total Special Education Cluster			<u>562,939</u>
Career and Technical Education - Basic Grants to States	84.048A	1307013VEA00	22,942
Career and Technical Education - Basic Grants to States	84.048A	1207012VEA00	5,842
Total Career and Technical Education - Basic Grants to States			<u>28,784</u>
Direct			
Indian Education - Grants to Local Educational Agencies	84.060A	2013	71,062
Indian Education - Grants to Local Educational Agencies	84.060A	2012	17,294
Total Indian Education - Grants to Local Educational Agencies			<u>88,356</u>

(Continued)



PORTER, MUIRHEAD, CORNIA & HOWARD

FREMONT COUNTY SCHOOL DISTRICT #1
(A Corporation of Certified Public Accountants)

123 West First Street Suite 300 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) 811 Fax (307) 265-5180
Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantors Number	Expenditures
<i>U.S. Department of Education: (Continued)</i>			
Passed Through the State of Wyoming			
Department of Education			
Education for Homeless Children and Youth	84.196A	120701HOMAM0	\$ 93
Twenty-First Century Community Learning Centers	84.287C	1207011C4C00	22,507
Twenty-First Century Community Learning Centers	84.287C	1207011C6C00	220,774
Twenty-First Century Community Learning Centers	84.287C	1107011C6C00	47,782
Twenty-First Century Community Learning Centers	84.287C	1207011C5C00	60,336
Twenty-First Century Community Learning Centers	84.287C	None	2,500
Twenty-First Century Community Learning Centers	84.287C	None	26,335
Total Twenty-First Century Community Learning Centers			<u>380,234</u>
Improving Teacher Quality State Grants	84.367A	1307013T2A00	105,297
Improving Teacher Quality State Grants	84.367A	1207012T2A00	104,019
Total Improving Teacher Quality State Grants			<u>209,316</u>
Total U.S. Department of Education			<u>1,933,446</u>
Total Federal Financial Assistance			<u>\$ 2,254,541</u>

Notes:

Prepared on the cash basis of accounting.

The value of non-cash awards for USDA commodities was \$32,617



PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2750 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and Board of Trustees
Fremont County School District # 1
Lander, WY

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Fremont 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 Fremont County School District #1's basic financial statements, and have issued our report thereon dated November 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fremont 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont 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 the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, WY
November 25, 2013



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

INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and Board of Trustees
Fremont County School District # 1
Lander, WY

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Fremont 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 Fremont 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 Fremont 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 Fremont 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
Certified Public Accountants

Casper, WY
November 25, 2013

FREMONT 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
Control deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Control deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Federal Share of USDA Commodities
10.559	Summer Food Service Program for Children
Title I, Part A Cluster	
84.010A	Title I Grants to Local Educational Agencies
Special Education Cluster (IDEA)	
84.027A	Special Education – Grants to States

(Continued)

FREMONT COUNTY SCHOOL DISTRICT #1

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

Section I – Summary of Auditor’s Results (Continued)

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

FREMONT COUNTY SCHOOL DISTRICT #1

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

IC-2012-01

Criteria:

Checks should be properly safeguarded from improper use.

Condition:

The checkbook for the Recreation Board contained six blank checks that were pre-signed by two authorized check signers.

Status:

This condition was corrected in the current fiscal year.

SA-2012-01

U.S. Department of Education

Passed through State of Wyoming Department of Education

Special Education Cluster (IDEA)

CFDA Number 84.027A – Special Education – Grants to States

CFDA Number 84.173A – Special Education – Preschool Grants

CFDA Number 84.391A – Special Education – Grants to States – Recovery Act (ARRA)

CFDA Number 84.392A – Special Education – Preschool Grants – Recovery Act (ARRA)

Criteria:

In OMB Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*, Subpart A, section .23 it states “where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.”

Condition:

Federal award money was used by the District to prepay screening contract costs for Child Development Services for the 2012-2013 school year.

Status:

This condition was corrected in the current fiscal year.

FREMONT COUNTY SCHOOL DISTRICT #1

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED) YEAR ENDED JUNE 30, 2013

SA-2012-02

U.S. Department of Education

Passed through State of Wyoming Department of Education

Title I, Part A Cluster

CFDA Number 84.010A – Title I Grants to Local Educational Agencies

CFDA Number 84.389A – Title I Grants to Local Educational Agencies – Recovery Act (ARRA)

Special Education Cluster (IDEA)

CFDA Number 84.027A – Special Education – Grants to States

CFDA Number 84.173A – Special Education – Preschool Grants

CFDA Number 84.391A – Special Education – Grants to States – Recovery Act (ARRA)

CFDA Number 84.392A – Special Education – Preschool Grants – Recovery Act (ARRA)

CFDA Number 84.367A – Improving Teacher Quality State Grants

Criteria:

OMB guidance in 2 CFR part 180 states “Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.”

Management of the District is responsible for taking steps to ensure that all covered transactions are conducted only with those that are not suspended or debarred.

Condition:

No controls were noted and no evidence existed that indicated that management had addressed the Procurement, Suspension, and Debarment requirement for the above mentioned programs.

Status:

This condition was corrected in the current fiscal year.