

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**

**FINANCIAL REPORT**

**JUNE 30, 2013**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Fremont County School District Number 24  
Shoshoni, Wyoming

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Fremont County School District No. 24 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District'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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Fremont County School District No. 24, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–13, and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Fremont County School District No. 24's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2013 , on our consideration of the Fremont County School District No. 24's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fremont County School District No. 24's internal control over financial reporting and compliance.



McKee, Marburger & Fagnant, P.C.  
Lander, Wyoming  
December 6, 2013

**Fremont County School District Number 24  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2013**

This section of the Fremont County School District Number 24 comprehensive Financial Report presents a discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. A comparative analysis of government-wide data will be presented. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**Financial Highlights**

The overall condition of all funds, governmental activities and business-type activities, remains extremely strong for the District. All goals related to financial activities have been met and if revenue and expenditure patterns can be maintained, the resources for next year will be available.

The District saw its assessed valuation increase from \$357.8 million in 2012 to \$374.9 million in 2013. Over this same time period, the County's assessed value increased from \$952.1 million in 2012 to \$1,016.5 billion for 2013. The District is a recapture district in that it does not rely on State funding for its operation. Instead it pays a substantial amount to the State's Foundation Program.

While the enrollment of the District has increased steadily, the administration and board will continue to monitor student membership (ADM) in order to be prepared for funding issues that may arise. The Legislative directive to meet 16:1 ratio in grade K-3 are providing a challenge for the district because of limited space. The legislature has not funded an ECA since 2008-09, so there has been no increase in revenue to meet inflation.

The District saw an increase in long-term debt of approximately 18.67% in 2013.

Salaries and benefits made up 71.8% of the general fund expenditures.

**Overview of the Financial Statements**

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

The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.

The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the District-wide statements.

The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what finances remain for future spending.

*Proprietary funds* statements offer *short- and long-term* financial information about the activities the District operated *like businesses*, such as food service and internal service.

*Fiduciary funds* statements provide information about the financial relationship in which the District acts solely as a *trustee or agent* for the benefit of others. The most common of these are student activity accounts.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and are related to one another.

**Fremont County School District Number 24  
Management Discussion and Analysis**

**Figure A-1  
Fremont County School District Number 24 Annual Financial Report**

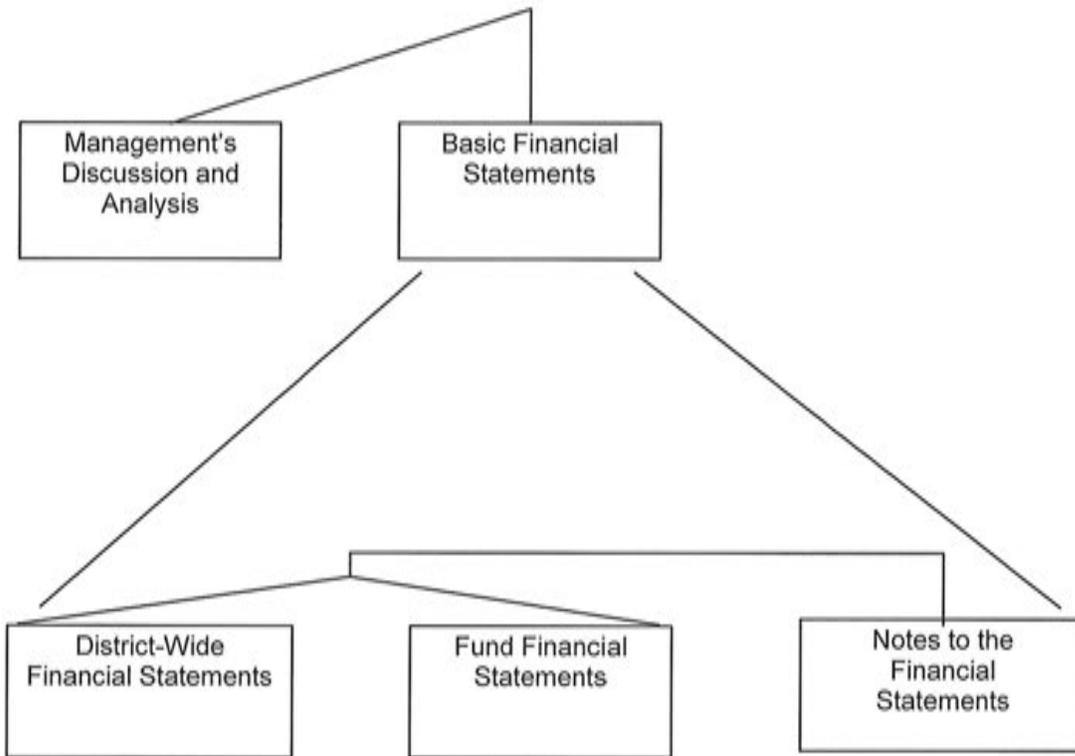


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities that are covered and the types of information contained. The remainder of this overview section highlights the structure and contents of each statement.

**Fremont County School District Number 24  
Management Discussion and Analysis**

**Figure A-2  
Major Features of the District-Wide and Fund Financial Statements**

	<u>Fund Financial Statements</u>			
	District-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food service and HRA internal service fund	Instances in which the District administers resources on behalf of someone else, such as student activity monies
Required Financial Statements	Statements of Net Position  Statements of Activities	Balance Sheet  Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position  Statement of Revenues, Expenses, and Changes in Net Position  Statement of Cash Flows	Statement of Fiduciary Net Position
Accounting Basic and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid out	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**District-Wide Financial Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets deferred outflow of resources, liabilities and deferred inflow of resources. All of the current year revenue and expenses are accounted for in the statement of activities regardless of when cash was received or paid.

## Fremont County School District Number 24 Management Discussion and Analysis

### District-Wide Financial Statements (cont.)

The two District-wide statements report the District's *net position* and changes. Net position, the difference between the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources, is one way to measure the District's financial health or *position*.

Over time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.

However, to assess the District's overall financial health, one needs to consider other factors such as changes in the District's property tax base, condition of school buildings, pending litigation, legislative issues, and student count numbers.

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

- A. *Governmental activities*: Most of the District's basic services are included in this category, such as regular and special education, transportation, and administration. The District is a Recapture District and as such is almost totally funded through its property taxes, the excess of which is rebated to the State.
- B. *Business-type activities*: The District charges fees to help cover the cost of certain services. The District's food service program is an example.

### Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law, while other funds have been established to control and manage money for particular reasons, or to show that we are properly using certain revenues.

The District has three kinds of funds:

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

**Fremont County School District Number 24  
Management Discussion and Analysis**

**Fund Financial Statements (cont.)**

C. *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as the student activity funds, agency funds, pension trust funds and private purpose trust funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance operations. The District has one trust fund, and two agency funds; one to account for student activity programs and the other to account for an employee savings plan.

**Financial Analysis of the District as a Whole**

As shown in Figure A-3, the District's *combined* net position was \$8,415,509 at June 30, 2013.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities <u>2013</u>	Business- Type Activities <u>2013</u>	Total School District <u>2013</u>
Current Assets	\$ 7,031,099	\$ (31,598)	\$ 6,999,501
Non-Current Assets	5,232,146	32,907	5,265,053
<b>Total Assets</b>	<b>12,263,245</b>	<b>1,309</b>	<b>12,264,554</b>
Current Liabilities	366,483	596	367,079
Non-Current Liabilities	214,944	0	214,944
<b>Total Liabilities</b>	<b>581,427</b>	<b>596</b>	<b>582,023</b>
Deferred Inflow of Resources - Taxes	3,267,022	0	3,267,022
<b>Total Deferred Inflow of Resources</b>	<b>3,267,022</b>	<b>0</b>	<b>3,267,022</b>
Net investment in Capital Assets	4,590,392	32,907	4,623,299
Restricted for Debt Service	0	0	0
Restricted for Maintenance	640,292	0	640,292
Restricted for Special Projects	127	0	127
Restricted for Capital Improvements	847,362	0	847,362
Unrestricted	2,336,623	(32,194)	2,304,429
<b>Total Net Position</b>	<b>\$ 8,414,796</b>	<b>\$ 713</b>	<b>\$ 8,415,509</b>

**Fremont County School District Number 24  
Management Discussion and Analysis**

**Figure A-4  
Changes in Net Position**

	Governmental Activities	Governmental Activities	Business- Type Activities	Business- Type Activities	Total School District	Total School District
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>						
<b>Program Revenues</b>						
Charges for Service	\$ 0	\$ 0	\$ 91,005	\$ 91,293	\$ 91,005	\$ 91,293
Operating Grants	772,581	676,458	55,270	53,768	827,851	730,226
Capital Grants	265,448	42,800	0	0	265,448	42,800
<b>General Revenues</b>						
Property Tax	9,922,683	9,390,141	0	0	9,922,683	9,390,141
State Aid	(3,177,025)	(3,651,977)	0	0	(3,177,025)	(3,651,977)
Other	25,083	49,035	0	(1,231)	25,083	47,804
Transfers	(100,000)	(115,000)	100,000	115,000	0	0
<b>Total Revenue</b>	<b>\$ 7,708,770</b>	<b>\$ 6,391,457</b>	<b>\$ 246,275</b>	<b>\$ 258,830</b>	<b>\$ 7,955,045</b>	<b>\$ 6,650,287</b>
<b>EXPENSES</b>						
Instruction	\$ 4,294,735	\$ 4,365,199	\$ 0	\$ 0	\$ 4,294,735	\$ 4,365,199
Instructional Support	1,048,080	985,102	0	0	1,048,080	985,102
Administration/General Support	894,212	910,521	0	0	894,212	910,521
Operations and Maintenance	663,009	641,866	0	0	663,009	641,866
Transportation	621,013	645,368	0	0	621,013	645,368
Major Maintenance	0	0	0	0	0	0
Interest on Long-Term Debt	6,539	7,757	0	0	6,539	7,757
Other	0	0	295,481	263,406	259,481	263,406
<b>Total Expenses</b>	<b>7,527,588</b>	<b>7,555,813</b>	<b>259,481</b>	<b>263,406</b>	<b>7,787,069</b>	<b>7,819,219</b>
<b>Increase (Decrease)</b>	<b>\$ 181,182</b>	<b>\$ (1,164,356)</b>	<b>\$ (13,206)</b>	<b>\$ (4,576)</b>	<b>\$ 167,976</b>	<b>\$ (1,168,932)</b>

Fremont County School District Number 24  
Management Discussion and Analysis

Figure A-5

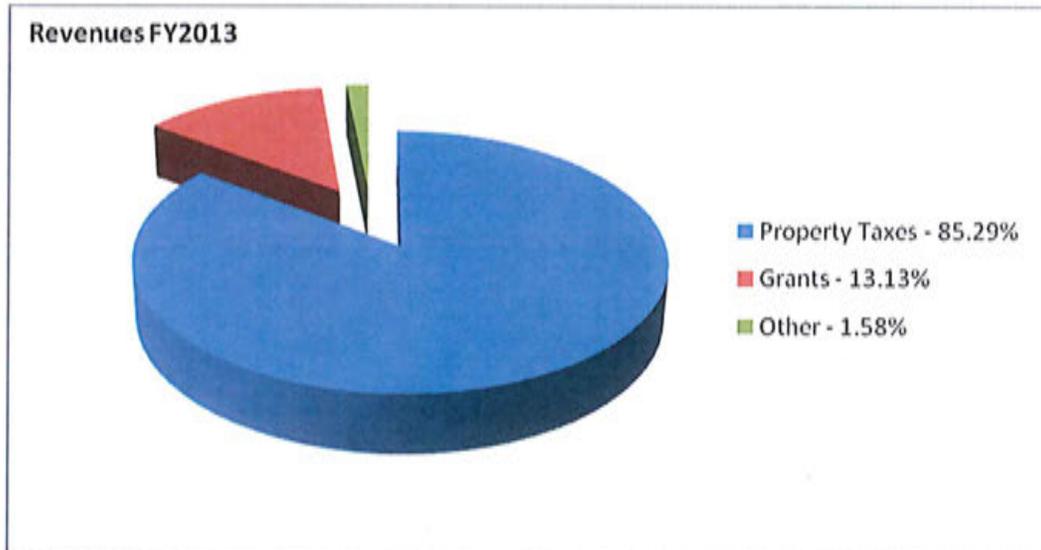
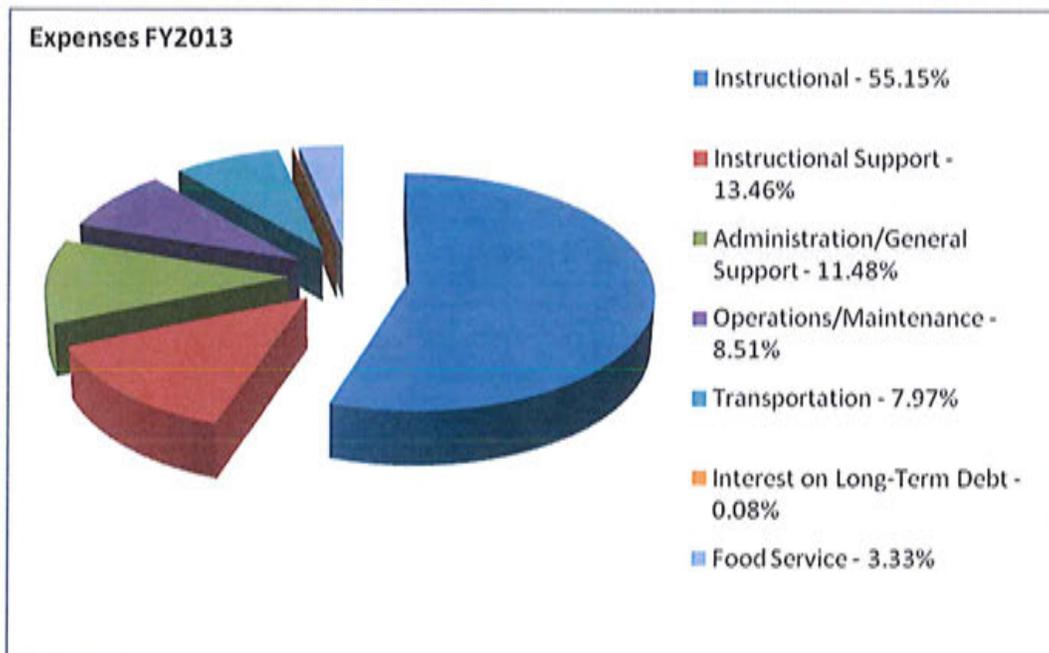


Figure A-6



## Fremont County School District Number 24 Management Discussion and Analysis

### Governmental Activities

Total governmental activities expenses amounted to \$7,527,588. The governmental activities had an increase in net position of \$181,182. The ending net position for all governmental activities was \$8,414,796. These net positions will be used to fund future programming, capital improvements and for maintenance of adequate cash flow.

Figure A-7 presents the cost of the District's major activities. The table shows the total cost and the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs, such as consolidated grant funds and major maintenance) of each activity.

**Figure A-7  
Net Cost of Governmental Activities**

	Total Cost of Services <u>2013</u>	Total Cost of Services <u>2012</u>	Net Cost of Services <u>2013</u>	Net Cost of Services <u>2012</u>
Instruction	\$4,294,735	\$4,365,199	\$3,571,740	\$3,820,354
Instructional Support	1,048,080	985,102	1,048,080	985,102
Administration/General Support	894,212	910,521	894,212	910,521
Operational and Maintenance	663,009	641,866	663,009	641,866
Transportation	621,013	645,368	621,013	645,368
Major Maintenance	0	0	(315,034)	(174,413)
Interest on Long-Term Debt	6,539	7,757	6,539	7,757
<b>Total</b>	<b><u>\$7,527,588</u></b>	<b><u>\$7,555,813</u></b>	<b><u>\$6,489,559</u></b>	<b><u>\$6,836,555</u></b>

Instruction expenses include those directly related to the teaching of pupils.

Instructional support expenses include the costs of technical and specialist personnel who assist instructional staff.

Administration and general support includes those expenses associated with central, school and business administration plus board and technology services.

Operations and maintenance expenses include those involved with the general upkeep of the buildings and grounds.

Transportation expenses represent those incurred in transporting students to and from school, as well as to and from school activities, as provided by State law.

Major maintenance expenses are incurred from providing maintenance to our buildings which are outside of routine.

Interest on long-term debt represents the interest on the District's debt.

**Fremont County School District Number 24  
Management Discussion and Analysis**

**Business-Type Activities**

The District's Food Service program is operated as business-type programs. Sales and federal the general fund.

The District had established an Internal Service Fund for the benefit of its employees. In June, 2012, the district fully funded an irrevocable trust managed by a third party to pay out all liabilities associated with the previously established Internal Service Fund.

**Capital Assets**

At the end of the fiscal year 2013, the District had \$5,232,147 invested in land, buildings, equipment and contents, and vehicles. Figure A-8 shows 2013 balances compared with 2012.

**Figure A-8  
Governmental Capital Assets (Net of Depreciation)**

	<u>2013</u>	<u>2012</u>
Construction in Process	\$ 172,436	\$ 0
Land	307,014	227,079
Buildings and Improvements	6,834,802	6,834,802
Equipment and Contents	1,734,685	1,626,569
Vehicles	1,296,539	1,249,569
<b>Total</b>	<u>10,345,476</u>	<u>9,938,019</u>
Less Accumulated Depreciation	<u>5,113,329</u>	<u>4,592,659</u>
<b>Total</b>	<u>\$ 5,232,147</u>	<u>\$ 5,345,360</u>

**Business-Type Capital Assets (Net of Depreciation)**

	<u>2013</u>	<u>2012</u>
Equipment and Contents	\$ 85,747	\$ 85,747
Less Accumulated Depreciation	<u>52,840</u>	<u>45,769</u>
<b>Total</b>	<u>\$ 32,907</u>	<u>\$ 39,978</u>

# Fremont County School District Number 24 Management Discussion and Analysis

## Long-Term Debt

At the end of the year, the District had \$302,914 in long-term debt. This represents an increase of approximately 18.67% from the prior year as shown in Figure A-9.

**Figure A-9  
Outstanding Long-Term Debt**

	<u>2013</u>	<u>2012</u>	<u>Percentage Change</u>
Capital Leases	\$ 162,304	\$ 103,413	56.95%
Compensated Absences	197,162	199,501	-.78%
<b>Total</b>	<b>\$ 359,466</b>	<b>\$ 302,914</b>	<b>18.67%</b>

## Current Issues

The District is continuing to monitor our enrollment figures. The District's enrollment has remained relatively steady with a small growth the last few years. Our special education population and costs associated have grown significantly. Personnel will continue to monitor the funding model and legislation to assure that adequate funding is available.

## General Fund Budgetary Highlights

In 2013, the District revised the annual operating budget for several reasons:  
 Adjust for increases in appropriations to prevent budget overruns  
 Adjust for changes in budget allocation from one program to another

## Economic Factors and Next Year's Budgets

The economy in the State of Wyoming has been growing steadily since 1987, hardly affected by the national recessions in the early 1990's and 2000's. Due to the nature of the state's economy such as high mineral production, low manufacturing, and small and distributed population, the above phenomenon is not surprising. As a natural gas and coal-producing state with substantial mineral reserves, Wyoming is well positioned to benefit economically and financially from coal's rebirth and higher natural gas prices. Although the current State of Wyoming revenue estimates have increased significantly in the past, there has been a decrease in the amounts available in the surplus. Legislators are monitoring mineral revenues closely and are looking at a possible decrease in the surplus accounts. This may result in decreased funding to the District.

All funds are legally required to be budgeted and appropriated. The District's Board of Trustees annually adopts a budget and approves related appropriations. The Board of Trustees may amend the budget after it is approved and also authorizes transfers between the various budgetary programs in any fund. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts when original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts after approved budget amendments during fiscal year 2013.

Additional information continues to be received after the mandated July date for the budget adoption. This results in variances in the anticipated revenues and expenditures. The needs of the District can vary once the school year begins and although the largest portion of the budget remains as planned, the variances in expenditures reflect additional or changed needs throughout the year. The District follows the mandated budget timeline set by the State.

## **Fremont County School District Number 24 Management Discussion and Analysis**

The District is in the process of designing a new K-12 building, funded by the School Facilities Commission (SFC), design monies paid out and reimbursed thus far are reflected in the Financial Statements. Groundbreaking is estimated to be in the spring of 2014.

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

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Kay Watson, CFO/Business Manager  
Fremont County School District Number 24  
112 W. 3<sup>rd</sup> Street  
Shoshoni, WY 82649  
Office: 307-876-2583 Fax: 307-876-2469  
Email: [kwatson@fremont24.com](mailto:kwatson@fremont24.com)

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# Government-Wide Financial Statements

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**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Recreation Board
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$ 1,525,489	\$ 6,233	\$ 1,531,722	\$ 572,820
Investments	1,684,078	0	1,684,078	0
Cash with fiscal agent	92,044	0	92,044	199
Property taxes receivable	3,282,161	0	3,282,161	128,640
Other receivables	402,420	0	402,420	1,403
Internal balances receivable	43,197	(42,762)	435	0
Inventories	1,710	4,931	6,641	0
<b>Total Current Assets</b>	<u>7,031,099</u>	<u>(31,598)</u>	<u>6,999,501</u>	<u>703,062</u>
<b>Noncurrent Assets</b>				
Nondepreciated capital assets	479,450	0	479,450	61,090
Depreciated capital assets, net	4,752,696	32,907	4,785,603	993,688
<b>Total Noncurrent Assets</b>	<u>5,232,146</u>	<u>32,907</u>	<u>5,265,053</u>	<u>1,054,778</u>
<b>TOTAL ASSETS</b>	<u>\$ 12,263,245</u>	<u>\$ 1,309</u>	<u>\$ 12,264,554</u>	<u>\$ 1,757,840</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued expenses	\$ 221,961	\$ 596	\$ 222,557	\$ 1,362
Grant advances	39,320	0	39,320	0
Current portion of long-term debt	144,522	0	144,522	0
<b>Total Current Liabilities</b>	<u>405,803</u>	<u>596</u>	<u>406,399</u>	<u>1,362</u>
<b>Noncurrent Liabilities</b>				
Compensated absences	118,297	0	118,297	0
Capital lease obligation	96,647	0	96,647	0
<b>Total Noncurrent Liabilities</b>	<u>214,944</u>	<u>0</u>	<u>214,944</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>	<u>620,747</u>	<u>596</u>	<u>621,343</u>	<u>1,362</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Property taxes	3,227,702	0	3,227,702	130,290
<b>NET POSITION</b>				
Net investment in capital asset	4,590,392	32,907	4,623,299	1,115,101
Restricted for				
Debt service	28	0	28	0
Maintenance	640,292	0	640,292	0
Special Projects	127	0	127	0
Capital Improvements	847,362	0	847,362	0
Unrestricted	2,336,595	(32,194)	2,304,401	511,087
<b>TOTAL NET POSITION</b>	<u>\$ 8,414,796</u>	<u>\$ 713</u>	<u>\$ 8,415,509</u>	<u>\$ 1,626,188</u>

See Notes To Financial Statements

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

Function/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Recreation Board
					Governmental Activities	Business-Type Activities		
<b>Primary Government</b>								
<b>Governmental Activities</b>								
Instruction								
Regular	\$ 3,341,519	\$ 0	\$ 373,238	\$ 265,448	\$ (2,702,833)	\$ 0	\$ 0	
Special	895,838	0	84,309	0	(811,529)	0	0	
Vocational	57,378	0	0	0	(57,378)	0	0	
Instructional support								
Instructional staff	626,450	0	0	0	(626,450)	0	0	
Pupil	421,630	0	0	0	(421,630)	0	0	
General support								
Administration	566,046	0	0	0	(566,046)	0	0	
Business	191,537	0	0	0	(191,537)	0	0	
Board	136,629	0	0	0	(136,629)	0	0	
Operations and maintenance	663,009	0	0	0	(663,009)	0	0	
Transportation	621,013	0	0	0	(621,013)	0	0	
Major maintenance	0	0	315,034	0	315,034	0	0	
Interest on long-term debt	6,539	0	0	0	(6,539)	0	0	
<b>Total Governmental Activities</b>	<b>7,527,588</b>	<b>0</b>	<b>772,581</b>	<b>265,448</b>	<b>(6,489,559)</b>	<b>0</b>	<b>(6,489,559)</b>	
<b>Business-Type Activities</b>								
Food service	259,481	91,005	55,270	0	(113,206)		(113,206)	
<b>Total Primary Government</b>	<b>\$ 7,787,069</b>	<b>\$ 91,005</b>	<b>\$ 827,851</b>	<b>\$ 265,448</b>	<b>\$ (6,489,559)</b>	<b>\$ (113,206)</b>	<b>\$ (6,602,765)</b>	
<b>Component Units</b>								
Recreation board	\$ 326,519	0	0	0	0		(326,519)	
<b>General Revenues</b>								
Property taxes					9,922,683	0	9,922,683	
Intergovernmental					(3,177,025)	0	(3,177,025)	
Investment earnings					14,329	0	14,329	
Miscellaneous income					14,311	0	14,311	
Loss on disposal of fixed assets					(3,557)	0	(3,557)	
Transfers					(100,000)	100,000	0	
<b>Total general revenues and transfers</b>					<b>6,670,741</b>	<b>100,000</b>	<b>6,770,741</b>	
<b>Change in net position</b>					<b>181,182</b>	<b>(13,206)</b>	<b>167,976</b>	
<b>Net Position - July 1</b>					<b>8,233,614</b>	<b>13,919</b>	<b>8,247,533</b>	
<b>Net Position - June 30</b>					<b>\$ 8,414,796</b>	<b>\$ 713</b>	<b>\$ 8,415,509</b>	

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# Fund Financial Statements

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FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

	General Fund	Major Fund: Combined Capital project Funds	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ (1,813)	\$ 938,835	\$ 629,534	\$ 1,566,556
Investments	796,590	846,421	0	1,643,011
Cash with fiscal agent	92,016	0	28	92,044
Receivables				
Taxes	3,282,161	0	0	3,282,161
Grants	0	0	229,663	229,663
Other	22,677	150,080	0	172,757
Due from other funds	399,827	0	212,897	612,724
Inventory	1,710	0	0	1,710
<b>Total Assets</b>	<b>\$ 4,593,168</b>	<b>\$ 1,935,336</b>	<b>\$ 1,072,122</b>	<b>\$ 7,600,626</b>
<b>LIABILITIES</b>				
Liabilities				
Accounts payable and accrued expenses	\$ 182,509	34,264	\$ 4,863	\$ 221,636
Due to other funds	103,666	78,369	387,492	569,527
<b>Total Liabilities</b>	<b>286,175</b>	<b>112,633</b>	<b>392,355</b>	<b>791,163</b>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Property taxes	3,330,279	0	39,320	3,369,599
<b>FUND BALANCE</b>				
Nonspendable:				
Inventories	1,710	0	0	1,710
Restricted for				
Maintenance	0	0	640,292	640,292
Special Revenue	0	0	127	127
Debt Service	0	0	28	28
Capital Improvements	0	847,362	0	847,362
Assigned	0	975,341	0	975,341
Unassigned	975,004	0	0	975,004
<b>Total Fund Balance</b>	<b>976,714</b>	<b>1,822,703</b>	<b>640,447</b>	<b>3,439,864</b>
<b>Total Liabilities, Deferred Inflows and Fund Balance</b>	<b>\$ 4,593,168</b>	<b>\$ 1,935,336</b>	<b>\$ 1,072,122</b>	<b>\$ 7,600,626</b>

See Notes to Financial Statements

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2013**

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 3,439,864</b>
 <b>Amounts reported for governmental activities in the statement of net position are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of assets is \$10,345,476, and the accumulated depreciation is \$5,113,330.		5,232,146
Receivables will be collected after this year and are not considered available soon enough to pay for current period's expenditures, and therefore are deferred in the governmental funds.		
Property taxes		102,577
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
Compensated absences payable	(197,162)	
Accrued interest payable on capital lease obligations	(325)	
Capital lease obligations	(162,304)	(359,791)
<b>Total Net Position - Governmental Activities</b>		<b>\$ 8,414,796</b>

FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013

	General Fund	Major Fund: Combined Capital project Funds	Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 9,930,110	\$ 0	\$ 19	\$ 9,930,129
Intergovernmental	(3,177,025)	0	742,441	(2,434,584)
Investment income	13,162	926	241	14,329
Other revenue	14,311	295,587	0	309,898
<b>Total Revenues</b>	<b>6,780,558</b>	<b>296,513</b>	<b>742,701</b>	<b>7,819,772</b>
<b>EXPENDITURES</b>				
Current				
General government				
Instruction				
Regular	2,410,707	0	402,789	2,813,496
Special	814,926	0	80,912	895,838
Vocational	57,378	0	0	57,378
Instructional support				
Instructional staff	626,450	0	0	626,450
Pupil	421,630	0	0	421,630
General support				
Administration	566,046	0	0	566,046
Business	191,537	0	0	191,537
Board	136,629	0	0	136,629
Operations and maintenance	649,821	0	0	649,821
Transportation	816,358	0	0	816,358
Major maintenance	0	0	30,819	30,819
Facilities acquisition, construction, and improvement services	0	295,587	0	295,587
<b>Total Expenditures</b>	<b>6,691,482</b>	<b>295,587</b>	<b>514,520</b>	<b>7,501,589</b>
Excess of revenues over (under) expenditures	89,076	926	228,181	318,183
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from capital lease	141,350	0	0	141,350
Operating transfers in (out)	(100,000)	0	0	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>41,350</b>	<b>0</b>	<b>0</b>	<b>41,350</b>
Excess of revenues and other sources over (under) expenditures and other uses	130,426	926	228,181	359,533
Change in inventory	(1,141)	0	0	(1,141)
<b>FUND BALANCE - JULY 1</b>	<b>847,429</b>	<b>1,821,777</b>	<b>412,266</b>	<b>3,081,472</b>
<b>FUND BALANCE - JUNE 30</b>	<b>\$ 976,714</b>	<b>\$ 1,822,703</b>	<b>\$ 640,447</b>	<b>\$ 3,439,864</b>

See Notes to Financial Statements

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2013**

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	359,533
 <b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period.		
Depreciation expense	(643,643)	
Capital outlays	533,987	(109,656)
Losses on disposal of assets is reported in the statement of net position. However, they are not reported in governmental funds.		
		(3,557)
Governmental funds recognize lease proceeds and expenditure for purchases of equipment obtained by capital lease. However, no proceeds and only non capitalized expenses are included in the statement of net position.		
		(141,350)
Because some revenues will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Deferred revenues increased by this amount this year:		
Property taxes		(7,446)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Capital lease payments		82,457
The governmental funds report inventory as a reservation of fund balance, but the statement of net position uses full accrual. Therefore, the net change in inventory is included in expenses on the statement of net position.		
		(1,141)
Governmental funds do not reflect expenses which will be paid by future financial resources. However, accrued obligations at year-end are reflected in the statement of activities and expenses.		
Accrued compensated absences	2,339	
Accrued interest on capital leases	3	2,342
<b>Total Change in Net Position of Governmental Activities</b>	\$	181,182

See Notes to Financial Statements

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2013**

	<u>Food Service</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 6,233
Due from other funds	433
Inventory	<u>4,931</u>
Total Current Assets	11,597
<b>Noncurrent Assets</b>	
Equipment (net of accumulated depreciation)	<u>32,907</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 44,504</u></u>
<b>LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 596
Due to other funds	<u>43,195</u>
<b>TOTAL LIABILITIES</b>	<u><u>43,791</u></u>
<b>NET POSITION</b>	
Net investment in capital assets	32,907
Unrestricted	<u>(32,194)</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 713</u></u>

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN**  
**FUND NET POSITION - PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2013**

	<b><u>Food Service</u></b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 91,005
<b>OPERATING EXPENSES</b>	
Salaries	118,977
Employee benefits	23,253
Purchased services	1,840
Direct food costs	108,340
Depreciation	<u>7,071</u>
Total Operating Expenses	<u>259,481</u>
Operating income (loss)	<u>(168,476)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Federal reimbursements	<u>55,270</u>
Income (loss) before operating transfers	(113,206)
<b>OPERATING TRANSFER IN</b>	<u>100,000</u>
Net income (loss)	(13,206)
<b>NET POSITION - JULY 1</b>	<u>13,919</u>
<b>NET POSITION - JUNE 30</b>	<u><u>\$ 713</u></u>

See Notes To Financial Statements

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2013**

	<u>Food Service</u>
<b>INCREASE (DECREASE) IN CASH</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and other funds	91,005
Cash payments for goods and services	(103,868)
Cash paid to and on behalf of employees	<u>(141,634)</u>
Net Cash Used in Operating Activities	<u>(154,497)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash received from federal sources	46,395
Operating transfer from other fund	<u>100,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>154,644</u>
<b>NET CHANGE IN CASH</b>	147
<b>CASH - BEGINNING OF YEAR</b>	<u>6,086</u>
<b>CASH - END OF YEAR</b>	<u>\$ 6,233</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (168,476)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation expense	7,071
Commodity support	8,875
(Increase) decrease in inventory	(2,320)
Increase (decrease) in vouchers and claims payable	<u>353</u>
Net Cash Used in Operating Activities	<u>\$ (154,497)</u>

**SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING ACTIVITIES**

None

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2013**

	<b><u>Student Activity</u></b>	<b><u>Health Benefits Trust</u></b>
<b>ASSETS</b>		
Cash	\$ 100,792	1,166,033
Due from other funds	<u>0</u>	<u>0</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 100,792</u></b>	<b><u>\$ 1,166,033</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 4,575	\$ 0
Due to other funds	433	0
Due to other groups	95,784	0
Due to participants	<u>0</u>	<u>563,295</u>
<b>TOTAL LIABILITIES</b>	<b><u>100,792</u></b>	<b><u>563,295</u></b>
<b>NET POSITION</b>		
Restricted	0	602,738
Unrestricted	<u>0</u>	<u>0</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 100,792</u></b>	<b><u>\$ 602,738</u></b>

See Notes to Financial Statements

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2013**

	<b>Health Benefits Trust</b>
<b>ADDITIONS</b>	
Interest Income	\$ 623
<b>DEDUCTIONS</b>	
Benefits	<u>150,996</u>
Change in net position	(150,373)
<b>NET POSITION HELD IN TRUST - JULY 1</b>	<u>753,111</u>
<b>NET POSITION HELD IN TRUST - JUNE 30</b>	<u><u>\$ 602,738</u></u>

## Notes to Financial Statements

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**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Organization and Summary of Significant Accounting Policies**

**General Information**

Fremont County School District Number 24 operates under an elected board of trustees' format and provides educational services to the children of the District. The District offers an educational program for grades Kindergarten through 12. The District operates Shoshoni High School (grades 9-12), Shoshoni Middle School (grades 7-8), and Shoshoni Elementary School (grades K-6).

**Reporting Entity**

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Fremont County School District Number 24, this includes general operations, food service, and student-related activities of the District. The following activities are also included within the reporting entity.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board, and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The Shoshoni Recreation District is the only component unit of the District.

The Shoshoni Recreation District has been included as a discretely presented component unit in the financial statements. The Board of Trustees of the District (1) appoint three of the ten board members to the recreation board, and (2) approve up to 1 mil tax levy for recreation authorized by Title 18, Chapter 9, Article 2 of the Wyoming Statutes. Separate financial statements of the recreation district may be obtained by contacting the Shoshoni Recreation District, P.O. Box 261, Shoshoni, WY 82649.

The financial statements of Fremont County School District Number 24 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Basis of Presentation**

The District's basic financial statements consist of government-wide statements, consisting of a statement of net position, and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

1. Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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.

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Basis of Presentation (cont.)**

The statement of net position presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major governmental fund and proprietary fund are presented in separate columns. Non-major funds are aggregated and presented in a single column. The fiduciary funds are reported by type.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund are food service charges. Operating expenses for the District's enterprise fund include food production costs, supplies, administrative costs, and depreciation on capital assets. The principal operating revenues of the District's internal service fund are contributions to the employee's health reimbursement arrangements from the District's other funds. Operating expenses for the internal service fund include claims paid on behalf of the District's employees. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

**Fund Accounting**

The District uses funds to maintain its financial records with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following is the District's governmental funds:

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Fund Accounting (cont.)**

Major Funds

*General Fund*

The general fund is the operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Wyoming.

*Capital Project Funds*

The capital projects fund accounts for all financial resources, generally from State of Wyoming sources, that are restricted, committed, or assigned, for the acquisition, construction, or improvement of capital facilities.

Non-Major Governmental Funds

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

2. Proprietary Fund

Enterprise Fund - The enterprise fund is used to account separately for operations that are financed and operated in a manner similar to private business enterprises—where the intent of the governing body is that the costs of providing goods or services are financed or recovered in part through user charges. The District's only enterprise fund is the Food Service fund.

3. Fiduciary Fund

Fiduciary fund reporting focuses on net positions and changes in net positions. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the District's own programs. The District has one trust fund. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The District's agency fund accounts for those student-activity programs. The student activity programs have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

**Measurement Focus and Basis of Accounting**

1. Government-Wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as is the proprietary 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. Net position (total assets plus total deferred outflows less total liabilities and total deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Measurement Focus and Basis of Accounting (cont.)**

2. Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period.

Revenue from federal, state, and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

**Budget and Budgetary Accounting**

The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statement reflect the amounts after approved budget amendments during fiscal year 2010.

The District follows these procedures in establishing the budgetary data reflected for the General Fund in the financial statements. The Special Revenue, Debt Service, and Capital Projects Funds are also required to adopt budgets although that data is not presented in the financial statements.

- Prior to May 15, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing that July 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. In addition, more detailed line budgets are included for administrative control. The level of control for the detailed budgets is at the department head/function level.
- Public hearings are conducted within the District to obtain taxpayer comments.
- Prior to August 1, the budget is legally enacted through passage of a motion.
- The District can, after public notice, transfer budgeted amounts between departments within any funds.
- Budgets for the General, Special Revenue, Debt Service, and Capital Project Funds are adopted on a basis and perspective which can differ significantly from generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board. Management exercises control by line item.
- All appropriations, except capital projects funds, lapse each fiscal year-end.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the District considers cash and cash equivalents to consist of all cash, either on hand or in banks, including time deposits, and any highly liquid debt instruments purchased with a maturity of three months or less.

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Inventory**

On government-wide financial statements and the proprietary fund financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis. Inventory consists of expendable supplies and food held for use and accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased and are charged to expense when consumed or sold.

In the fund financial statements, the cost of inventory items is recorded as expenditure in the governmental fund types when purchased. Significant amounts of supply inventories on hand at year-end are reported as assets and are fully reserved in the equity section of the balance sheet.

**Property Taxes**

The District's property taxes are levied at the County level on October 1 of each year. The County Assessor is responsible for assessment of all taxable real property within Fremont County. The County Treasurer computes the annual tax for each parcel of real property and prepares tax books used as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Treasurer, who remits to each unit its respective share of the collections. Provided the payments are timely, the tax can be paid in two equal installments on November 10 and May 10, or the tax may be paid in full on December 31. Taxes collected are distributed after the end of each month.

The levy becomes an enforceable lien against the property as of January 1 of the preceding levy year. Thus, in accordance with GASB Codification Section N50, a property tax receivable has been recorded equal to fifty percent of the amount levied for the District on the following August. This amount is deferred and will be recognized in the period for which the taxes are levied. A one percent allowance has been recorded against the receivable at year-end.

**Capital Assets**

General capital assets result from expenditures in the governmental funds and include property, plant, and equipment. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District capitalizes items costing \$1,000 or more that have estimated useful lives in excess of one year. The District possesses insignificant infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land and land improvements are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	50 years
Furniture and equipment	5-10 years
Vehicles	8 years

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Compensated Absences**

Compensated absences, consisting of vacation and sick leave, are reported in the fund financial statements in the period paid. For purposes of the government-wide financial statements, the liability for compensated absences is reflected when vested to the employees.

**Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the governmental funds. The bonds and capital leases, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until the maturity date of each installment.

**Grant Advances**

Grant advances are amounts received from grant and contract sponsors that have not been earned.

**Fund Balance**

The District uses the fund balance definitions in GASB Codification Section 1800 for financial reporting for all governmental fund types. The definitions provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints.

**Nonspendable fund balance** – amounts that are in nonspendable form (such as inventory) or are required to be maintained intact.

**Restricted fund balance** – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

**Committed fund balance** – amounts constrained to specific purposes by the District itself enacted by resolution of the District's Board of Directors. Committed fund balance cannot be used for any other purpose unless the commitment expires as set forth in the resolution, or a new resolution by the District's Board of Directors.

**Assigned fund balance** – amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board of Directors or by an official or body to which the District's Board of Directors delegates authority.

**Unassigned fund balance** – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District applies nonspendable, restricted, committed, assigned, and then unassigned resources when an expense is incurred for purposes that satisfy the related definition and criteria for the related net position classification shown above.

The District applies restricted and then unrestricted resources when an expense is incurred for purposes that satisfy the related definition and criteria for the related net position classification shown above for fund financial statements.

The board has not elected to adopt a minimum fund balance policy as of June 30, 2013.

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Net Positions**

Net position is a function of assets plus deferred outflows of resources minus liabilities minus deferred inflows of resources equals net position. The caption 'net investment in capital assets', consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

**Interfund Activity**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" in the governmental fund financial statements. Interfund receivables and payables are eliminated in the government-wide financial statements, except those with business-type and fiduciary funds, which are reported in the government-wide financial statements as "internal balances."

**Estimates**

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

**Recently Adopted Accounting Standards**

During 2012, the District adopted the following GASB Statements:

GASB Statement No. 62, ("GASB 62") *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* was issued in December 2010. The objective of GASB 62 is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement did not have a significant impact on the School District's financial statements.

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of 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. The requirements of GASB 62 became effective for fiscal periods beginning after December 31, 2011. The adoption of this Statement, effective January 1, 2012, had no impact on the financial statements of the District.

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - Summary of Significant Accounting Policies (cont.)**

**Recently Adopted Accounting Standards (cont.)**

GASB Statement No. 63, ("GASB 63") *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. GASB 63 provides that amounts that are required to be reported as deferred outflows of resources be reported in the statement of financial position in a separate section following assets. Similarly, amounts that are required to be reported as deferred inflows of resources be reported in the statement of financial position in a separate section following liabilities. The term "net position" replaces the term "net position" for reporting the net residual of assets and deferred outflows in excess of liabilities and deferred inflows. The requirements of the new statement became effective for fiscal periods beginning after December 15, 2011. This statement impacted the format and reporting of the balance sheet at the government-wide and also at the fund level.

**Accounting Standards Issued and Early Adopted**

GASB Statement No. 65, ("GASB 65") *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses) or inflows of resources (revenues). The provisions of this Statement are effective for fiscal periods beginning after December 15, 2012. The District has completed the process of evaluating the impact that may result from adopting GASB 65 and elected to early adopt this standard in conjunction with GASB Statement No. 63. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources.

**NOTE 2 - Budgetary Basis of Accounting**

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

- A. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- B. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General fund.

<b><u>Net Change in Fund Balance</u></b>	
GAAP Basis	\$ 130,426
Net Adjustment for Revenue Accruals	1,455
Net Adjustment for Expenditure Accruals	<u>35,284</u>
Budget Basis	<u>\$ 167,165</u>

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 - Deposits and Investments**

Statutes authorize the District to invest primarily in various federal government instruments, savings certificates of savings and loan associations, bank certificates of deposits, Wyoming State Treasurer Investment Pool, and Wyoming Government Investment Pool. The District has elected to invest cash in excess of immediate needs in the Wyoming Government Investment Pool.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year-end, the carrying amount of the District's bank deposits (for both the primary government and the component units) was \$1,835,449 and the bank balance was \$2,500,609. Of the bank balance, \$500,000 was covered by federal depository insurance; \$2,000,609 was covered by collateral held in the pledging banks' trust departments.

Custodial Credit Risk of Investments

Custodial credit risk 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 will minimize the custodial credit risk by limiting investments to the types of securities allowed by state law and by pre-qualifying the financial institutions, broker/dealers intermediaries, and advisors with which the District would do business.

The Wyoming Government Investment Fund is an external investment pool that invests primarily in U.S. Government Agency Obligations and short-term commercial obligations. The pooled securities are held in safekeeping by a third party trust in the pool's name. The pool reports their investments at amortized cost, which they believe approximates fair value. The Wyoming Government Investment Fund is not rated. At June 30, 2013, the District had \$1,684,079 invested in the fund.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. The District minimizes the concentration of the credit risk by diversification so that the impact of potential losses from any one type of deposit and or security or issuer will be minimized.

As of June 30, 2013 the District had deposits in two financial institutions. One of these intuitions held over 5% of the District's total deposits.

**NOTE 4 - Receivables**

Receivables at June 30, 2013, consisted of property taxes, accounts, and intergovernmental grants. Taxes receivable represent uncollected taxes and interest thereon, net of an allowance for uncollectibles which amounts to approximately \$39,000 for governmental funds and \$1,200 for the recreation district. Other receivables are considered collectible in full. Other receivables at June 30, 2013 consisted of \$229,663 of various state and federal grants in the special revenue funds, and \$22,677 from other sources.

FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
 NOTES TO FINANCIAL STATEMENTS

NOTE 5 - Capital Assets

Capital Assets activity for the fiscal year ended June 30, 2013, is as follows:

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b>Governmental Activities</b>				
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 227,079	\$ 79,935	\$ 0	\$ 307,014
Construction in process	0	172,436	0	172,436
<b>Total Capital Assets, Not Being Depreciated</b>	<b>227,079</b>	<b>252,371</b>	<b>0</b>	<b>479,450</b>
<b>Capital Assets, Being Depreciated</b>				
Buildings and improvements	6,834,802	0	0	6,834,802
Equipment and contents	1,626,569	140,565	32,449	1,734,685
Vehicles	1,249,569	141,050	94,080	1,296,539
<b>Total Capital Assets, Being Depreciated</b>	<b>9,710,940</b>	<b>281,615</b>	<b>126,529</b>	<b>9,866,026</b>
<b>Less Accumulated Depreciation</b>				
Buildings and improvements	2,562,504	331,894	0	2,894,398
Equipment and contents	1,192,692	210,516	32,449	1,370,759
Vehicles	837,463	101,233	90,523	848,173
<b>Total Accumulated Depreciation</b>	<b>4,592,659</b>	<b>643,643</b>	<b>122,972</b>	<b>5,113,330</b>
<b>Capital Assets, Being Depreciated, Net</b>	<b>5,118,281</b>	<b>(362,028)</b>	<b>3,557</b>	<b>4,752,696</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 5,345,360</b>	<b>\$ (109,657)</b>	<b>\$ 0</b>	<b>\$ 5,232,146</b>

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 - Capital Assets (cont.)**

**Business-Type Activities**

**Capital Assets, Being Depreciated**

Equipment and contents	\$ 85,747	\$ 0	\$ 0	\$ 85,747
Less Accumulated Depreciation	45,769	7,071	0	52,840

<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 39,978</b>	<b>\$ (7,071)</b>	<b>\$ 0</b>	<b>\$ 32,907</b>
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**Component Unit - Recreation Board**

**Capital Assets, Not Being Depreciated**

Construction in process	\$ 0	\$ 0	\$ 0	\$ 0
Land	61,090	0	0	61,090

<b>Total Capital Assets, Not Being Depreciated</b>	<b>61,090</b>	<b>0</b>	<b>0</b>	<b>61,090</b>
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**Capital Assets, Being Depreciated**

Buildings and improvements	1,178,971	0	0	1,178,971
Equipment and contents	40,181	55,811	0	95,992
Vehicles	95,038	0	0	95,038

<b>Total Capital Assets, Being Depreciated</b>	<b>1,314,190</b>	<b>55,811</b>	<b>0</b>	<b>1,370,001</b>
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**Less Accumulated Depreciation**

Buildings and improvements	245,076	25,785	0	270,861
Equipment and contents	26,183	5,524	0	31,707
Vehicles	65,593	8,152	0	73,745

<b>Total Accumulated Depreciation</b>	<b>336,852</b>	<b>39,461</b>	<b>0</b>	<b>376,313</b>
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<b>Capital Assets, Being Depreciated, Net</b>	<b>977,338</b>	<b>16,350</b>	<b>0</b>	<b>993,688</b>
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<b>Component Unit Capital Assets, Net</b>	<b>\$ 1,038,428</b>	<b>\$ 16,350</b>	<b>\$ 0</b>	<b>\$ 1,054,778</b>
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Depreciation expense was charged to governmental functions as follows:

**Governmental Activities**

Instruction	
Regular	\$ 530,362
General Support	
Operations and maintenance	12,047
Transportation	101,233
Total Depreciation Expense-Governmental Activities	<u>\$ 643,642</u>

**Business-Type Activities**

Food Service	<u>\$ 7,071</u>
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<b>Recreation District</b>	<u>\$ 39,461</u>
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**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - Defined Benefit Pension Plans**

The District contributes to the Wyoming Retirement System (WRS) Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the Wyoming Retirement System. WRS provides retirement, disability, and death benefits to plan members and beneficiaries. The Wyoming Retirement Board, after approval of the Wyoming State Legislature, may amend contribution requirements to WRS. WRS issues a publicly available financial report that includes financial statements and required supplementary information for WRS. That report may be obtained by writing to Wyoming Retirement Board, First Floor East-Herschler Building, 112 West 25<sup>th</sup> Street, Cheyenne, WY 82002.

The plan statutorily requires 11.25%, until September of 2010 when the rate was increased 2.87% bringing the required contribution rate to 14.12% of the participant's salary to be contributed to the plan, paid by the participant and the employer in a manner as determined by the employer. Total District contributions to WRS for the years ended June 30, 2013, 2012, and 2011 were \$499,584 \$495,381, and \$486,473 respectively.

**NOTE 7 - Long-Term Debt**

The following is a summary of changes in long-term debt of the District for the year:

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Payments</b>	<b>Balance End of Year</b>	<b>Current Portion of Long-Term Debt</b>
Capital Leases	\$ 103,413	141,350	82,459	\$ 162,304	\$ 65,657
Accrued Compensated Absences	199,501	102,091	104,430	197,162	78,865
<b>Total</b>	<b>\$ 302,914</b>	<b>\$ 243,441</b>	<b>\$ 186,889</b>	<b>\$ 359,466</b>	<b>\$ 144,522</b>

The payments of the long-term debt are to be funded by the General Fund.

**Accrued Compensated Absences**

Compensation for vacation and sick leave is recorded as expenditure in the year paid to employees. Vacation vests with employees at their anniversary date of employment. Generally, employees earn one sick day for each month worked. Up to 120 days of compensation for sick leave vests with employees at \$75 per day. The liability for vested, unpaid compensated absences is included in the financial statements as accrued compensated absences.

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 - Long-Term Debt (cont.)**

**Capital Leases**

The District is lessee under several capital leases for equipment with a cost of \$614,506. Each lease provides for termination in the event of non-appropriation. The District's commitment under these leases, assuming the leases are not canceled, is as follows:

<u>Year</u>	<u>Total Payments</u>
2014	\$ 69,552
2015	40,718
2016	29,747
2017	29,747
	<hr/> 169,764
Less Amount Representing Interest	<hr/> 7,460
Net Obligation	<hr/> <u>\$ 162,304</u>

In the fund financial statements the capital lease obligations payable in future years have been reflected as both proceeds from capital lease and as expenditure in the appropriate fund in the initial year of the lease.

In the government-wide financial statements the portion of the lease obligations due within one year is reported as a current liability under the caption "Current Portion of Long-Term Debt." Amounts due in excess of one year are reported as a noncurrent liability. Lease payments reduce the outstanding obligation and interest associated with the leases is expensed as incurred.

**NOTE 8 - Health Benefit Plan**

In fiscal year 2011, the District established an irrevocable trust managed by a third party to administer the benefits under a health care reimbursement plan for the benefit of its employees. The trust is scheduled to pay out approximately \$150,000 per year over the next 5 years for the benefit of its employees. Annually the trust contributes to each participant's account a calculated amount. The employees may request reimbursement for qualified medical expenses incurred to the extent of the amount contributed to their account by the trust. Any unused amount for a plan year will carry forward into the following plan year for future qualified medical expenses they may incur. Individuals may request reimbursement for qualified medical expenses, any amounts unused by the participant will be forfeited.

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 9 - Due To/From Other Funds and Transfers**

Interfund receivables and payable balances as of June 30, 2013, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 399,827	\$ 103,666
Capital Projects Funds	0	78,369
Non-Major Governmental Funds	212,897	387,494
Food Service Fund	433	43,195
Agency Fund	0	433
	<u>\$ 613,157</u>	<u>\$ 613,157</u>
	<u>Transfers to Other Funds</u>	<u>Transfers from Other Funds</u>
Interfund Transfers		
General Fund	\$ 100,000	\$ 0
Enterprise Funds	0	100,000
	<u>\$ 100,000</u>	<u>\$ 100,000</u>

The purpose of the transfer from the General Fund to the Enterprise Fund was to finance the food service operations.

**NOTE 10 - Contingencies**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2013.

B. Litigation

The District is contingently liable in respect to lawsuits and claims in the ordinary course of its operations. In the opinion of District personnel, the settlement of such contingencies would not affect the financial position of the District at June 30, 2013. Should any claims prove to be a detriment to the District, they will be recorded as an expenditure in the period in which a liability is realized.

C. Property and Liability Risk Management

Real and personal property owned by the District is subject to loss from natural disasters and actions of others. In addition, The District has the potential to be named as a responsible party in liability claims. The District purchases commercial insurance packages to offset such losses, should they occur.

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 11 - Commitments**

The District has one active construction project involving the building of a new school. As of June 30, 2013 the District's has entered into contracts totaling \$3,235,525 towards the project.

**NOTE 12 - Upcoming Accounting Pronouncements**

The Government Accounting Standards Board (GASB) has issued Statements No. 67, which applies to financial reporting by most pension plans and No. 68, *Accounting and Financial Reporting for Pensions*, which applies to financial reporting by most governments that provide their employees with pension benefits. Statement No. 67 is effective for periods beginning on or after June 15, 2013 and Statement No. 68 is effective for periods beginning on or after June 15, 2014. These statements will result in major changes in the calculation and reporting of pension obligations and expenses. The District will be required to recognize their unfunded pension benefit obligation as liability on its government wide statements. The district currently evaluation the impact this standard will have on its financial statements.

## Required Supplementary Information

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**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET AND ACTUAL (NON-GAAP BASIS)**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>REVENUES</b>				
Taxes	\$ 9,881,508	\$ 9,881,508	\$ 9,929,765	\$ 48,257
Intergovernmental	(3,384,335)	(3,384,335)	(3,177,025)	207,310
Investment income	17,000	17,000	13,162	(3,838)
Other revenue	6,000	6,000	16,111	10,111
	<u>6,520,173</u>	<u>6,520,173</u>	<u>6,782,013</u>	<u>261,840</u>
<b>EXPENDITURES</b>				
Current				
General government				
Instruction				
Regular	2,363,698	2,380,679	2,375,423	5,256
Special	797,062	797,062	814,926	(17,864)
Vocational	48,438	48,438	57,378	(8,940)
Instructional support				
Instructional staff	743,528	743,528	626,450	117,078
Pupil	409,122	409,122	421,630	(12,508)
General support				
Administration	539,328	549,993	566,046	(16,053)
Business	189,484	192,484	191,537	947
Board	132,725	136,725	136,629	96
Operations and maintenance	664,635	664,635	649,821	14,814
Transportation	632,204	675,204	675,008	196
	<u>6,520,224</u>	<u>6,597,870</u>	<u>6,514,848</u>	<u>83,022</u>
Excess of revenues over (under) expenditures	<u>(51)</u>	<u>(77,697)</u>	<u>267,165</u>	<u>344,862</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers (out)	<u>(115,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(115,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(115,051)</u>	<u>(177,697)</u>	<u>167,165</u>	<u>344,862</u>
<b>FUND BALANCE - JULY 1</b>	<u>847,429</u>	<u>847,429</u>	<u>847,429</u>	<u>0</u>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ 732,378</u>	<u>\$ 669,732</u>	<u>\$ 1,014,594</u>	<u>\$ 344,862</u>

## Supplementary Information

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**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2013**

	<b>Combined Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments in treasury	\$ 629,534	\$ 0	\$ 629,534
Cash with fiscal agent	0	28	28
Receivables			
Grants	229,663	0	229,663
Due from other funds	212,897	0	212,897
 Total Assets	 \$ 1,072,094	 \$ 28	 \$ 1,072,122
 <b>LIABILITIES AND FUND BALANCE</b>			
Liabilities			
Accounts payable and accrued expenses	\$ 4,863	\$ 0	\$ 4,863
Due to other funds	387,492	0	387,492
Grant advances	39,320	0	39,320
 Total Liabilities	 431,675	 0	 431,675
 Fund Balance			
Restricted for:			
Special Revenue	127	0	127
Maintenance	640,292	0	640,292
Debt Service	0	28	28
Unassigned	0	0	0
 Total Fund Balance	 640,419	 28	 640,447
 Total Liabilities and Fund Balance	 \$ 1,072,094	 \$ 28	 \$ 1,072,122

**FREMONT COUNTY SCHOOL DISTRICT NUMBER 24  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2013**

	<u>Combined Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 0	\$ 19	\$ 19
Intergovernmental	742,441	0	742,441
Investment income	241	0	241
	<hr/>	<hr/>	<hr/>
Total Revenues	742,682	19	742,701
<b>EXPENDITURES</b>			
Current			
General government			
Instruction			
Regular	402,789	0	402,789
Special	80,912	0	80,912
Major maintenance	30,819	0	30,819
	<hr/>	<hr/>	<hr/>
Total Expenditures	514,520	0	514,520
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures	228,162	19	228,181
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE - JULY 1</b>	412,257	9	412,266
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE - JUNE 30</b>	<u>\$ 640,419</u>	<u>\$ 28</u>	<u>\$ 640,447</u>

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees  
Fremont County School District Number 24  
Shoshoni, WY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Fremont County School District Number 24 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 29, 2013.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fremont County School District Number 24's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fremont County School District Number 24's internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont County School District Number 24's internal control.

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

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

2013-1 - Segregation of Duties

## SIGNIFICANT DEFICIENCY IN CONTROL STRUCTURE

### SEGREGATION OF DUTIES - 2013-1

#### Criteria

Circumstances permitting, accounting and bookkeeping duties should be assigned to different individual to promote safeguarding of assets and accuracy of financial information.

#### Condition

The number of employees performing the preparation of payroll is not sufficient to provide an adequate segregation of duties.

#### Effect

Because of the limited number of individuals involved in the preparation of payroll, there is a greater risk that assets will not be properly safeguarded and that errors in financial information will occur and not be detected in a timely manner.

#### Recommendation

Although it may not be cost efficient to increase the number of employees performing payroll functions, all employees either supervising or performing the duties and the Board of Directors of the District should constantly be aware of this deficiency in internal controls.

#### Response

Since we are a small district office it is difficult to maintain a constant segregation of duties with limited resources. We continue to practice oversight at each level to ensure proper segregation of duties, to the highest extent possible. As time allows, we will continue to cross-train office staff. We must however, take into consideration the additional work created by segregation of duties, and do not wish to duplicate redundant work. The District realizes that there are limitations to separation of duties in an office of this size. District personnel have and will continue to avail themselves of various classes and training to assist in the Internal Controls and procedures of the district office.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fremont County School District Number 24's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The 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.

*McKee, Marburger & Segman PC*

Lander, WY  
December 6, 2013