Fremont County School District No. 6

Financial Report
June 30, 2013

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DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Board of Trustees
Fremont County School District No. 6
Pavillion, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fremont County School District No. 6, 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 District'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 District'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.

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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, each major fund, and the aggregate remaining fund information of Fremont County School District No. 6, 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28–33 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 Fremont County School District No. 6's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 10, 2013, on our consideration of Fremont County School District No. 6'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. 6's internal control over financial reporting and compliance.

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

October 10, 2013

Basic Financial Statements

Fremont County School District No. 6
Statement of Net Position - District-Wide
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,006,463	$ 157,138	$ 1,163,601
Cash in custody of County Treasurer	648,321	-	648,321
Investments	2,915,666	-	2,915,666
Grants receivable	149,392	-	149,392
Property taxes receivable	175,075	-	175,075
Due from student groups	14,478	-	14,478
Inventories	70,943	10,886	81,829
Total current assets	4,980,338	168,024	5,148,362
Noncurrent assets:			
Capital assets, net	19,748,746	394,501	20,143,247
Total noncurrent assets	19,748,746	394,501	20,143,247
Total assets	24,729,084	562,525	25,291,609
LIABILITIES			
Current liabilities:			
Checks written in excess of cash	128,834	16,528	145,362
Accounts payable	193,887	101	193,988
Accrued liabilities	99,528	1,720	101,248
Deferred revenue	6,715	6,425	13,140
Accrued compensated absences, due within one year	73,722	-	73,722
Capital leases, due within one year	66,559	-	66,559
General obligation bonds, due within one year	600,000	-	600,000
Total current liabilities	1,169,245	24,774	1,194,019
Noncurrent liabilities:			
Accrued compensated absences, due after one year	23,281	-	23,281
Capital leases, due after one year	59,378	-	59,378
Total noncurrent liabilities	82,659	-	82,659
Total liabilities	1,251,904	24,774	1,276,678
NET POSITION			
Net investment in capital assets	19,022,809	394,501	19,417,310
Restricted for asset replacement	450,247	-	450,247
Restricted for construction projects	400,592	-	400,592
Restricted for debt service	635,901	-	635,901
Unrestricted	2,967,631	143,250	3,110,881
Total net position	$ 23,477,180	$ 537,751	$ 24,014,931

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

Fremont County School District No. 6
Statement of Activities - District-Wide
Year Ended June 30, 2013

Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
			Primary Government			
Governmental activities:						
Instruction:						
Regular instruction	$ 2,749,129	$ -	$ -	$ (2,749,129)		$ (2,749,129)
Special instruction	1,515,892	-	561,466	(954,426)		(954,426)
Vocational instruction	183,539	-	-	(183,539)		(183,539)
Total instruction	4,448,560	-	561,466	(3,887,094)		(3,887,094)
Support services:						
Pupil services	626,341	-	-	(626,341)		(626,341)
Staff services	527,305	-	108,508	(418,797)		(418,797)
Central administration	613,508	-	-	(613,508)		(613,508)
School administration	479,255	-	-	(479,255)		(479,255)
Business administration	212,192	-	-	(212,192)		(212,192)
General administration	114,229	-	-	(114,229)		(114,229)
General maintenance	921,587	-	332,930	(588,657)		(588,657)
Transportation services	686,425	-	-	(686,425)		(686,425)
Interst	32,560	-	-	(32,560)		(32,560)
Depreciation	885,478	-	-	(885,478)		(885,478)
Total support services	5,098,880	-	441,438	(4,657,442)		(4,657,442)
Total governmental activities	9,547,440	-	1,002,904	(8,544,536)		(8,544,536)
Business-type activities:						
Food services	291,685	76,036	108,520		$ (107,129)	(107,129)
Housing fund	35,692	33,798	-		(1,894)	(1,894)
Total business-type activities	327,377	109,834	108,520		(109,023)	(109,023)
Total school district	$ 9,874,817	$ 109,834	$ 1,111,424	(8,544,536)	(109,023)	(8,653,559)
	General revenues:					
	Property taxes			3,298,938	-	3,298,938
	Interest and investment earnings			18,172	493	18,665
	Other local sources			212,289	-	212,289
	Other county sources			75,802	-	75,802
	State sources			4,447,410	-	4,447,410
	Federal sources			160,336	-	160,336
	Total general revenues			8,212,947	493	8,213,440
	Excess of expenditures over revenues before special items			(331,589)	(108,530)	(440,119)
	Special items:					
	Transfers (to) from			(110,897)	110,897	-
	Changes in net position			(442,486)	2,367	(440,119)
	Total net position, beginning of year			23,919,666	535,384	24,455,050
	Total net position, end of year			$23,477,180	$ 537,751	$24,014,931

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

Fremont County School District No. 6
Balance Sheet - Governmental Funds
June 30, 2013

	General Fund	Special Revenue Funds	Asset Replacement Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 521,610	$ 34,606	$ 450,247	$ -	$ 1,006,463
Cash in custody of County Treasurer	-	-	-	648,321	648,321
Investments	2,512,335	403,331	-	-	2,915,666
Grants receivable	-	149,392	-	-	149,392
Property taxes receivable	9,587	-	-	-	9,587
Due from student groups	14,478	-	-	-	14,478
Inventories	70,943	-	-	-	70,943
Due from other funds	-	11,749	-	-	11,749
Total assets	$ 3,128,953	$ 599,078	$ 450,247	$ 648,321	$ 4,826,599
LIABILITIES AND FUND BALANCES					
Liabilities:					
Checks written in excess of cash	$ -	$ 128,834	$ -	$ -	$ 128,834
Accounts payable	156,542	37,345	-	-	193,887
Accrued liabilities	61,516	25,592	-	12,420	99,528
Deferred revenue	-	6,715	-	-	6,715
Due to other funds	11,749	-	-	-	11,749
Total liabilities	229,807	198,486	-	12,420	440,713
Fund balances:					
Nonspendable	70,943	-	-	-	70,943
Restricted for asset replacement	-	-	450,247	-	450,247
Restricted for construction projects	-	400,592	-	-	400,592
Restricted for debt service	-	-	-	635,901	635,901
Assigned	2,913	-	-	-	2,913
Unassigned	2,825,290	-	-	-	2,825,290
Total fund balances	2,899,146	400,592	450,247	635,901	4,385,886
Total liabilities and fund balances	$ 3,128,953	$ 599,078	$ 450,247	$ 648,321	$ 4,826,599

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

Fremont County School District No. 6
Reconciliation of the Balance Sheet - Governmental Funds
with the Statement of Net Position - District-Wide
June 30, 2013

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

Total fund balances - Governmental Funds		$ 4,385,886
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
The cost of capital assets is	$ 29,231,114	
Accumulated depreciation is	(9,482,368)	
		19,748,746
Taxes owed to the District as of June 30, 2013, but not paid to the District within 30 days after year-end, are not a receivable on the fund financial statements but are carried as an asset on the District-Wide statements		165,488
Noncurrent liabilities, including capital lease obligations, accrued compensated absences and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:		
Compensated absences, due within one year	(73,722)	
Capital leases, due within one year	(66,559)	
General obligation bonds, due within one year	(600,000)	
Compensated absences, due after one year	(23,281)	
Capital leases, due after one year	(59,378)	
		(822,940)
Total net position - District-Wide		$ 23,477,180

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

Fremont County School District No. 6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2013

	General Fund	Special Revenue Funds	Asset Replacement Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Property taxes	$ 2,649,128	$ -	$ -	$ 617,650	$ 3,266,778
Interest and investment earnings	12,787	831	1,322	3,232	18,172
Other local sources	212,289	3,000	-	-	215,289
Other county sources	75,802	-	-	-	75,802
State sources	4,447,410	477,915	-	-	4,925,325
Federal sources	160,336	521,989	-	-	682,325
Total revenues	7,557,752	1,003,735	1,322	620,882	9,183,691
Expenditures:					
Instruction:					
Regular instruction	2,780,340	-	-	-	2,780,340
Special instruction	953,156	561,466	-	-	1,514,622
Vocational instruction	183,294	-	-	-	183,294
Total instruction	3,916,790	561,466	-	-	4,478,256
Support services:					
Pupil services	626,244	-	-	-	626,244
Staff services	418,474	108,508	-	-	526,982
Central administration	612,138	-	-	-	612,138
School administration	479,153	-	-	-	479,153
Business administration	209,165	-	-	-	209,165
General administration	114,212	-	-	-	114,212
General maintenance	828,264	291,584	95,579	-	1,215,427
Transportation services	760,735	-	-	-	760,735
Principal and interst	-	-	-	24,840	24,840
Total support services	4,048,385	400,092	95,579	24,840	4,568,896
Total expenditures	7,965,175	961,558	95,579	24,840	9,047,152
Excess (deficiency) of revenues over (under) expenditures	(407,423)	42,177	(94,257)	596,042	136,539
Other financing sources (uses):					
Transfers (to) from other fund, net	(117,235)	9,401	(3,063)	-	(110,897)
Other financing sources (uses), net	(117,235)	9,401	(3,063)	-	(110,897)
Net change in fund balances	(524,658)	51,578	(97,320)	596,042	25,642
Total fund balances, beginning of year	3,423,804	349,014	547,567	39,859	4,360,244
Total fund balances, end of year	$ 2,899,146	$ 400,592	$ 450,247	$ 635,901	$ 4,385,886

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

Fremont County School District No. 6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds with the Statement of Activities - District-Wide
Year Ended June 30, 2013

Amounts reported for governmental activities in the Statement of Activities - District-Wide are different because:	
Net change in fund balances - Governmental Funds	$ 25,642
Capital outlays to purchase capital assets are reported as expenditures in the governmental funds. However, in the Statement of Activities - District-Wide, the cost of these assets is allocated over their estimated useful lives as depreciation. This is the amount by which depreciation, $885,478, exceeded capital assets purchased, $341,041, during the current fiscal year.	(544,437)
In the Statement of Activities - District-Wide, certain operating expenses (e.g., compensated absences) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, accrued compensated absences earned exceeded accrued compensated absences paid by $12,266.	(12,266)
An increase in property taxes receivable on the Statement of Net Position District-Wide as compared to property taxes receivable on the Balance Sheet-Governmental Funds, increases property tax revenue in the Statement of Activities - District-Wide.	31,922
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the Statement of Net Position - District-Wide.	64,373
In connection with the issuance of bonds in a prior year, the District recognized assets which are being amortized over the life of the bonds. The amortization is included as an increase in interest on long-term debt in the Statement of Activities - District-Wide.	(7,720)
Changes in net position - District-Wide	$ (442,486)

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

Fremont County School District No. 6
Statement of Net Position - Proprietary Funds
June 30, 2013

	Food Services Fund	Housing Fund	Totals
ASSETS			
Current assets:			
Cash	$ -	$ 157,138	$ 157,138
Inventories	10,886	-	10,886
Total current assets	10,886	157,138	168,024
Noncurrent assets:			
Capital assets, net	13,907	380,594	394,501
Total noncurrent assets	13,907	380,594	394,501
Total assets	24,793	537,732	562,525
LIABILITIES			
Current liabilities:			
Checks written in excess of cash	16,528	-	16,528
Accounts payable	-	101	101
Accrued liabilities	620	1,100	1,720
Deferred revenues	-	6,425	6,425
Total liabilities	17,148	7,626	24,774
NET POSITION			
Invested in capital assets	13,907	380,594	394,501
Unrestricted	(6,262)	149,512	143,250
Total net position	$ 7,645	$ 530,106	$ 537,751

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

Fremont County School District No. 6
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2013

	Food Services Fund	Housing Fund	Totals
Operating revenues:			
School meal sales	$ 76,036	$ -	$ 76,036
Rental income	-	33,798	33,798
Total operating revenues	76,036	33,798	109,834
Operating expenses:			
Payroll costs	160,962	-	160,962
Direct food costs	112,045	-	112,045
Supplies	7,710	12,009	19,719
Utilities	-	226	226
Repairs and maintenance	1,702	10,824	12,526
Property taxes	-	2,770	2,770
Other costs	517	-	517
Depreciation expense	8,749	9,863	18,612
Total operating expenses	291,685	35,692	327,377
Operating loss	(215,649)	(1,894)	(217,543)
Non-operating revenues:			
Federal grants	108,520	-	108,520
Interest income	114	379	493
Total non-operating revenues	108,634	379	109,013
Loss before transfers	(107,015)	(1,515)	(108,530)
Transfer in	110,897	-	110,897
Change in net position	3,882	(1,515)	2,367
Total net position, beginning of year	3,763	531,621	535,384
Total net position, end of year	$ 7,645	$ 530,106	$ 537,751

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

Fremont County School District No. 6
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2013

	Food Services Fund	Housing Fund	Totals
Cash flows from operating activities:			
Cash received from food service charges	$ 76,036	$ -	$ 76,036
Cash received from rentals	-	40,223	40,223
Cash paid for employee services	(160,496)	-	(160,496)
Cash paid for direct food costs	(103,655)	-	(103,655)
Cash paid for supplies	(7,710)	(12,009)	(19,719)
Cash paid for utilities	-	(226)	(226)
Cash paid for repairs and maintenance	(1,702)	(10,723)	(12,425)
Cash paid for property taxes	-	(2,770)	(2,770)
Cash paid for other costs	(517)	-	(517)
Net cash provided (used) by operating activities	(198,044)	14,495	(183,549)
Cash flows from non-capital financing activities:			
Transfer in	100,000	-	100,000
Non-operating grants	97,930	-	97,930
Net cash provided by non-capital financing activities	197,930	-	197,930
Cash flows from investing activities:			
Purchase of fixed assets	-	(5,812)	(5,812)
Interest income	114	379	493
Net cash provided (used) by investing activities	114	(5,433)	(5,319)
Increase in cash and cash equivalents	-	9,062	9,062
Cash and cash equivalents, beginning of year	-	148,076	148,076
Cash and cash equivalents, end of year	$ -	$ 157,138	$ 157,138
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	(215,649)	(1,894)	(217,543)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	8,749	9,863	18,612
Non-cash commodities received	10,590	-	10,590
Changes in assets and liabilities:			
Checks written in excess of cash	2,653	-	2,653
Inventory	1,967	-	1,967
Accounts payable	(6,820)	(999)	(7,819)
Accrued liabilities	466	1,100	1,566
Deferred revenues	-	6,425	6,425
Net cash provided (used) by operating activities	$ (198,044)	$ 14,495	$ (183,549)

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

Fremont County School District No. 6
Statement of Net Position - Fiduciary Fund
June 30, 2013

	Student Activity Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 127,356
Total assets	$ 127,356
LIABILITIES	
Current liabilities:	
Due to general fund	$ 14,478
Due to student groups	112,878
Total liabilities	$ 127,356

The accompanying notes are and integral part of the financial statements.

1. Summary of Significant Accounting Policies

A. Organization

Fremont County School District No. 6 ("the District") is governed by an elected seven-member Board of Trustees ("the Board"), which has governance responsibilities over activities related to public elementary and secondary school education in the central portion of Fremont County, Wyoming. The District operates Wind River High School, Wind River Middle School, and two elementary schools, Wind River School and Crowheart School. The District receives funding from local, county, state and federal government sources and must comply with the requirements of these funding entities. The District is not included in any other governmental reporting entity as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since board members are elected by the public; have decision-making authority; have the power to designate management; have the responsibility to significantly influence operations; and have primary accountability for fiscal matters. The District has no component units.

B. District-Wide and Fund Financial Statements

Management's Discussion and Analysis

The management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the District's financial activities in a narrative format. An analysis of the District's overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year's activities. These financial statements do not include a Management's Discussion and Analysis.

District-Wide Financial Statements

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

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

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

1. Summary of Significant Accounting Policies, Continued

B. District-Wide and Fund Financial Statements, continued

District-Wide Financial Statements, continued

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

Fund Financial Statements

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

Budgetary Comparison Schedules

The budgetary comparison schedules are presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budgets. The District may revise the original budgets over the course of the year for various reasons.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences and early retirement liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

1. Summary of Significant Accounting Policies, Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation, continued

The District reports the following governmental funds:

General Fund: The General Fund is the primary 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 instructional and most of the support service programs of the District are accounted for in the General Fund. The revenue of the fund consists primarily of local property taxes and federal and state funds. This is a budgeted fund.

Special Revenue Fund: The Special Revenue Fund is used to account for funds received from federal and state grants and other local sources that have restrictions on their use. This is a budgeted fund.

Asset Replacement Fund: The Asset Replacement Fund is used to account for funds that have been set aside by direction of the District's Board of Directors and is used to replace large capital type assets. This is a budgeted fund.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. The revenue of the fund consists primarily of local property taxes. This is a budgeted fund.

The District reports the following proprietary funds:

Food Services Fund: The Food Services Fund is used to account for the District's school lunch program, which make sales to students and other individuals. Operating revenues are comprised of user charges. Non-operating revenues are comprised of grant revenues, interest income and transfers from other funds. This is a budgeted fund.

Housing Fund: The Housing Fund accounts for activities related to the housing units that the District has available to rent to employees. Revenue of the fund consists primarily of rental fees and utility fees charged to the tenants. This is a budgeted fund.

The District reports the following fiduciary fund:

Student Activity Fund: The Student Activity Fund is an agency fund used to account for activities of student groups and other types of activities requiring clearing accounts. This fund has no net position; assets are equal to liabilities and do not include revenues and expenditures for general operations of the District.

D. Budgetary Information

Under Wyoming law, the District's approved budgets establish maximum legal authorization for expenditures during the fiscal year. The budgets are prepared on the cash basis. Unused appropriations lapse at the end of the year, unless the Board extends existing encumbrances beyond year-end.

1. Summary of Significant Accounting Policies, Continued

D. Budgetary Information, continued

On or before May 15 of each year, the District's administration submits to the Board a preliminary operating budget for each of the budgeted funds for the fiscal year commencing July 1. The operating budgets include proposed expenditures detailed at the functional level and the means of financing them.

In July, the Board conducts its annual budget hearing and budgets are legally adopted through the passage of an appropriation by the Board.

Actual expenditures and operating transfers out may not legally exceed budget appropriations at the functional level. The legal level of budgetary control is the functional level at which the Board must approve any over-expenditures of appropriations or transfers of appropriated amounts. The functional levels are Instruction, Instructional Support, General Support, Non-Instructional Support Services, Facility Acquisition and Construction Services and Fund Transfers.

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

E. Accounting Principles Generally Accepted in the United States of America

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards.

F. Cash and Cash Equivalents

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

G. Receivables

Receivables shown on the governmental fund financial statements are those for which payment was received within 30 days after the financial statement date. All receivables, regardless of when they are collected, are recognized in the district-wide financial statements. Such receivables are shown net of any allowances for uncollectible amounts.

H. Inventories

Inventories, which consist primarily of instructional and food supplies, are reported at the lower of cost (first-in, first-out) or net realizable value, or if donated, at fair value when received. Donated food commodities are reported in the Food Services Fund as revenue and expense when received.

1. Summary of Significant Accounting Policies, Continued

I. Capital Assets

Capital assets are reported in the district-wide financial statements and the proprietary funds. Purchased or constructed capital assets are reported at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets are not capitalized. The District uses a capitalization threshold of $5,000. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in the Statement of Activities – District-Wide, or the Statement of Revenues, Expenses and Changes in Fund Net Assets, in the case of proprietary funds.

All reported capital assets except land and construction in progress are depreciated. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of those assets, as follows:

	Governmental Activities	Business-Type Activities
Buildings and building improvements	50 years	50 years
General equipment	5 to 10 years	5 to 10 years
Transportation equipment	5 to 10 years	--

J. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the district-wide financial statements and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, governmental funds payables and accrued liabilities that are paid in a timely manner from current financial resources are reported as obligations of the funds.

K. 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 district-wide financial statements, the liability for compensated absences is reflected when vested to the employees.

L. Net Position

Net position represents the difference between assets and liabilities. 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. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

1. Summary of Significant Accounting Policies, Continued

L. Net Position, continued

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

M. Fund Balances

Fund balance amounts are reported within one of the following fund balance categories:

Nonspendable: The nonspendable fund balance category is associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned);

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The District's Board of Trustees has created an asset replacement fund, which has restricted fund balance for the replacement of capital-type assets;

Committed: The committed fund balance category includes amounts that can be used only for the specific purposes determined by a formal action of the District's Board of Trustees (the District's highest level of decision-making authority);

Assigned: The assigned fund balance category is intended to be used by the District for specific purposes as determined by the District's Superintendent and Business Manager, but do not meet the criteria to be classified as restricted or committed;

Unassigned: The unassigned fund balance category is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance.

1. Summary of Significant Accounting Policies, Continued

N. Property Tax Calendar

The Fremont County Treasurer is responsible for levying and collecting property taxes on behalf of the District. Property taxes are levied on or about July 1 and are due in two installments. The first installment becomes due on September 1 and is delinquent on November 10; the second installment becomes due March 1 and is delinquent on May 10. Property taxes attach as an enforceable lien on property on May 11 of each year. Taxes receivable represents taxes levied but uncollected by the County Treasurer at June 30, 2013.

O. Property Taxes Levied for Other Governments

The District is authorized by Wyoming State statutes to levy and collect property tax revenue on behalf of an established Recreation District.

P. Grant Revenue

The District receives financial assistance from governmental agencies in the form of grants, which are accounted for in special revenue funds. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Funds received but not earned at June 30, 2013 are recorded as deferred revenue.

Q. Operating and Non-Operating Revenues

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

R. Use of Estimates

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

2. Cash and Cash Equivalents

The District's cash and cash equivalents consist of checking, savings and money market accounts at local banks.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Wyoming statute 9-4-820 requires the District to collateralize bank deposits that exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). In addition, for collateral held by a custodian other than the Federal Reserve, an approved Joint Custody Receipt form must be properly executed to perfect the District's interest in collateral pledged by depository financial institutions. The District's business manager monitors cash account balances to see that sufficient collateral is pledged to the District.

2. Cash and Cash Equivalents, Continued

The carrying amount of bank deposits at June 30, 2013 was $1,928,620 and bank balances totaled $1,290,957. The differences between the carrying amount of bank deposits and the bank balances consist of outstanding checks and deposits not processed by the bank as of June 30, 2013. As of June 30, 2013 the District's bank balances of $1,928,620 (including cash deposits for fiduciary funds) were insured or collateralized as follows:

Insured by FDIC	$ 250,000
Collateralized with security held by pledging institution's trust department or correspondent bank under a joint custody receipt in the name of the District and the financial institution.	1,678,620
Total	$ 1,928,620

Cash and cash equivalents held by the Fremont County Treasurer on behalf of the District are covered by Fremont County under FDIC insurance and/or joint custody receipts in the name of the County and the County's financial institution.

3. Investments

Wyoming statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. District policy restricts investments to certificates of deposit with local banks, the Wyoming Government Investment Fund, and the Wyoming State Treasurer's Investment Pool, unless specific Board action authorizes an alternative investment. The District has no policies in place related to exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate credit risk, or foreign currency credit risk other than that described above.

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

Investment	Maturities	Interest Rate	Fair Value
WYO-Star Local Government Investment Pool	266.0 days average	n/a	$ 2,177,658
Wyoming Government Investment Fund (WGIF)	44.8 days average	n/a	738,008
Total investments			$ 2,915,666

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

Credit Risk State law limits investments to obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. The District has no investment policy that would further limit its investment choices. WGIF and WYO-Star are not rated as to credit risk.

Concentration of Credit Risk The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's investments are in both the WGIF and WYO-Star. These investments combined to represent 100% of the District's total investments.

WYO-Star is managed by the Wyoming State Treasurer while WGIF is overseen by a board of trustees elected by the Fund's member organizations.

4. Receivables

All amounts recognized as receivables on the governmental funds financial statements were collected within 30 days after year-end. All receivables, regardless of when they are collected, are recognized on the district-wide financial statements.

Grants Receivable

Grants receivable balances consist of revenues earned by the District from various state or federal grants that had not been received by the District as of June 30, 2013. The balance reported for grants receivable as of June 30, 2013 is $149,392.

Property Taxes Receivable

Property taxes receivable consist of property taxes received in the first 30 days after June 30, 2013 that relate to taxes levied prior to and during the 2013 fiscal year. The balance reported for property taxes receivable as of June 30, 2013 in the fund financial statements is $9,587. The balance reported for property taxes receivable as of June 30, 2013 in the Entity-Wide financial statements is $142,915.

Some of the District's taxes were paid under protest to the County Treasurer during the 2013 year. This means that the property owners are disputing the assessed valuation of their property, and therefore the amount of their property tax bill. When taxes are paid under protest, the Treasurer must hold that money in a protest account until the protest is resolved with the State Board of Equalization. Because the taxes were paid under protest, and the ultimate amount the District will receive is still in question, no receivable has been recognized on the financial statements for those taxes.

5. Capital Assets

Capital asset activity for the year ended June 30, 2012 is as follows:

Governmental Activities:

	June 30, 2012	Additions	Disposals	June 30, 2013
Building and improvements	$ 23,757,349	$ 201,064	$ (9,576)	$ 23,948,837
Vehicles	1,755,569	-	-	1,755,569
Equipment	3,299,700	90,576	(22,228)	3,368,048
Total depreciable capital assets	28,812,618	291,640	(31,804)	29,072,454
Accumulated depreciation	(8,628,694)	(885,478)	31,804	(9,482,368)
Net depreciable capital assets	20,183,924	(593,838)	-	19,590,086
Land	109,259	-	-	109,259
Construction in progress	-	49,401	-	49,401
Net capital assets	$ 20,293,183	$ (544,437)	$ -	$ 19,748,746

Depreciation expense recognized by the District's governmental activities was $885,478.

5. Capital Assets, Continued

Capital assets used by governmental activities included leased transportation equipment with a cost of $323,769. During 2013, amortization expense (which was included in depreciation expense and accumulated depreciation in the previous table) on this equipment was $32,377, and accumulated amortization was $101,418 at June 30, 2012 (see Note 10).

Depreciation expense for governmental funds has not been allocated to any of the District's individual functions. Rather, the District has included all depreciation related to governmental funds as a single line item on the Statement of Activities – District-Wide.

Business-type Activities:

Lunch Fund:

	June 30, 2012	Additions	Disposals	June 30, 2013
Equipment	$ 192,521	$ -	$ -	$ 192,521
Accumulated depreciation	(169,865)	(8,749)	-	(178,614)
Net capital assets	$ 22,656	$ (8,749)	$ -	$ 13,907

Depreciation expense recognized by the District's Lunch Fund was $8,749.

Housing Fund:

	June 30, 2012	Additions	Disposals	June 30, 2013
Buildings and improvements	$ 458,745	$ 5,812	$ -	$ 464,557
Accumulated depreciation	(74,100)	(9,863)	-	(83,963)
Net capital assets	$ 384,645	$ (4,051)	$ -	$ 380,594

Depreciation expense recognized by the District's Housing Fund was $9,863.

6. Interfund Receivables and Payables

Interfund receivables and payables arise primarily from one fund holding cash on behalf of another fund in order to limit the number of bank accounts held by the District. Interfund receivables and payables may also arise from one fund making payments on behalf of another fund to cover expenditures until grant revenues are received. When grant or other funds are received, the paying fund is reimbursed for the payments made on behalf of the receiving fund.

Interfund receivables and payables at June 30, 2013 are summarized as follows:

Due To	Due From	Amount
Special Revenue Fund	General Fund	$ 11,749

7. Interfund Transfers

Interfund transfers for the year ended June 30, 2013 are summarized as follows:

Transfer From	Transfer To	Reason	Amount
General Fund	Food Services Fund	Cover program shortfall	$ 110,897
General Fund	Asset Replacement Fund	Build up reserve	5,424
General Fund	Special Revenue Fund	Help to cover repairs	1,238
Asset Replacement Fund	Special Revenue Fund	Help to cover repairs	8,487
Special Revenue Fund	General Fund	Repay former loan	324

8. Short-Term Borrowings

The District had no short-term borrowings at June 30, 2013, nor were there any short-term borrowings or repayments for the year then ended.

9. Long-Term Obligations

Capital Lease Obligations

The District leases certain equipment under long-term agreements that represent capital leases. Future minimum lease payments under capital lease obligations are as follows:

Year Ending June 30,	
2014	$ 70,489
2015	47,308
2016	14,002
Total future minimum lease payments	131,799
Less amount representing interest	(5,862)
Present value of net minimum lease payments	125,937
Less amount due within one year	(66,559)
Amount due after one year	$ 59,378

Interest expense associated with capital lease obligations totaled $6,116 for the year ended June 30, 2013.

General Obligation Bonds

On October 30, 2006, the District issued $3,000,000 in general obligation bonds, series 2006, with an interest rate of 4.14%. The bonds are general obligations of the District which are secured by the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all taxable property in the District. The bond proceeds were used to finance the construction of enhancements at the new elementary school.

9. Long-Term Obligations, Continued

General Obligation Bonds, continued

The annual requirements to pay the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 600,000	$ 12,420	$ 612,420

The Fremont County Treasurer collects property taxes paid specifically for the retirement of the District's general obligation bonds, and then retires the bond principal and interest as it becomes due. As of June 30, 2013, the Fremont County Treasurer had collected enough property tax revenues to retire all of the remaining bond principal and interest.

A summary of changes in long-term obligations of the District for the year ended June 30, 2013 is as follows:

	Long-Term Obligations June 30, 2012	Long-Term Obligations Incurred	Long-Term Obligations Paid	Long-Term Obligations June 30, 2013	Due Within One Year
Compensated absences	$ 84,737	$ 61,639	$ (49,373)	$ 97,003	$ 73,722
Capital leases	190,310	--	(64,373)	125,937	66,559
General obligation bonds	600,000	--	(--)	600,000	600,000
	$ 875,047	$ 61,639	$ (113,746)	$ 822,940	$ 740,281

10. Fund Equity

Restrictions of net assets are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific restrictions on net assets are summarized below:

General Fund: A portion of the fund balance is nonspendable due to the fact that inventories are not generally turned into cash or investments which can be used to purchase goods or services for the District. Further, a portion of the fund balance is assigned because the District's Board of Trustees has budgeted an operating loss in the general fund of $2,913 for the fiscal year ended June 30, 2014.

Special Revenue Funds: The fund balance is restricted to segregate funds for grant expenditures which meet the grant requirements established by the various state and federal granting agencies. The Grant Funds are reported as part of the Special Revenue Funds.

Asset Replacement Fund: The fund balance is restricted to segregate funds for the future replacement of capital asset. These capital asset replacements could include buildings, building improvements, vehicles and equipment.

Debt Service: The fund balance is restricted to segregate a portion of the net assets for debt service, including both principal payments and interest payments.

11. Wyoming Retirement System Defined Contribution Plan

All full-time and regular part-time employees participate in the State of Wyoming Retirement System ("the Plan"), a multi-employer, cost-sharing public employee retirement plan. The Plan is a defined contribution plan covering substantially all employees of the State, electing local municipalities, and the Public School System of Wyoming.

The Plan statutorily requires 14.12% of the participant's salary to be contributed to the Plan, with the District required to contribute a minimum of 7.12% of the employee's salary. The District can, however, elect to contribute more than the required amount. During the period covered by these financial statements, the District has elected to contribute 12.69% of the 14.12% total, with the District's employee's contributing the remaining 1.43%.

The Plan allows for normal retirement after four years of service and attainment of age 60. Retirees can select one of five options for receiving benefits. Early retirement is allowed, provided the employee has completed four years of service and attained age 50, but results in a reduction of benefits based on the length of time remaining to normal retirement age. Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated earnings through the date of their termination.

The District's contributions for the years ended June 30, 2013, 2012 and 2011 totaled $558,213, $538,071, and $490,403, respectively.

The Plan issues stand alone financial statements. A copy of the Plan's financial statements may be obtained by contacting the Wyoming Retirement System at First Floor East - Herschler Building, 122 West 25th Street, Cheyenne, WY 82002.

12. Risk Management

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements did not exceed coverage during 2013.

13. Contingent Liabilities

Litigation

The District is occasionally named as a defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying District-Wide financial statements and accordingly, no provision for loss has been recorded.

13. Contingent Liabilities, Continued

Grant Programs

The District receives significant financial assistance from federal and state governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Therefore, to the extent that the District has not complied with the terms and conditions governing the grants, refunds of any money received may be required, and the collectability of any related receivables at June 30, 2013, may be impaired. Based on prior experience, the District administration believes such amounts, if any, would be immaterial.

School Foundation Program

The District's funding for the General Fund is determined by the School Foundation Funding Model, which was passed into law by the State of Wyoming ("the State") Legislature. Funding is determined based on a variety of data submitted to the State by the District. Beginning in fiscal year 2003, the State Department of Audit began auditing the information submitted by Districts to the State at least once every three years. If the Department of Audit finds errors in the data submitted by the District, a retroactive funding adjustment will be made. If the District was over-funded, the District will be required to refund the overpayment to the State.

14. Economic Dependency

The District receives a large portion of its funding from the State. Any shortfall in property taxes collected by the District is made up by the State. Therefore, the District is economically dependent on the State for its continued operations.

Required Supplementary Information

Fremont County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ 2,655,690	$ 2,655,690	$ 2,648,410	$ -	$ (7,280)
Interest and investment earnings	19,500	19,500	12,787	-	(6,713)
Other local sources	130,000	130,000	319,330	-	189,330
Other county sources	73,000	73,000	76,323	-	3,323
State sources	4,635,928	4,635,928	4,447,410	-	(188,518)
Federal sources	100,000	100,000	120,110	-	20,110
Total revenues	7,614,118	7,614,118	7,624,370	-	10,252
Expenditures:					
Instruction:					
Regular instruction	2,796,807	2,796,807	2,750,192	-	46,615
Special instruction	959,249	959,249	953,156	-	6,093
Vocational instruction	153,514	153,514	173,294	-	(19,780)
Total instruction	3,909,570	3,909,570	3,876,642	-	32,928
Support services:					
Pupil services	600,695	624,767	616,244	(24,072)	8,523
Staff services	360,173	402,595	398,474	(42,422)	4,121
Central administration	610,423	606,398	584,858	4,025	21,540
School administration	491,389	482,956	471,105	8,433	11,851
Business administration	199,581	192,094	189,165	7,487	2,929
General administration	120,220	115,710	114,212	4,510	1,498
General maintenance	852,464	830,111	778,386	22,353	51,725
Transportation services	781,378	761,692	734,894	19,686	26,798
Principal and interst	-	-	-	-	-
Total support services	4,016,323	4,016,323	3,887,338	-	128,985
Total expenditures	7,925,893	7,925,893	7,763,980	-	161,913
Excess (deficiency) of revenues over (under) expenditures before transfers	(311,775)	(311,775)	(139,610)	-	172,165
Special items:					
Transfers (to) from other fund	(100,000)	(100,000)	(100,000)	-	-
Net change in fund balance	$ (411,775)	$ (411,775)	(239,610)	$ -	$ 172,165
Net adjustments to the modified accrual basis of accounting			(285,048)		
Change in fund balance			(524,658)		

See accompanying Independent Auditor's Report.

Fremont County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Special Revenue Funds
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	2,154	2,154	831	-	(1,323)
Other local sources	-	-	2,600	-	2,600
Other county sources	-	-	-	-	-
State sources	454,871	454,871	454,872	-	1
Federal sources	2,295,129	2,295,129	488,614	-	(1,806,515)
Total revenues	2,752,154	2,752,154	946,917	-	(1,805,237)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	800,000	800,000	562,617	-	237,383
Vocational instruction	-	-	-	-	-
Total instruction	800,000	800,000	562,617	-	237,383
Support services:					
Pupil services	-	-	-	-	-
Staff services	200,000	200,000	109,255	-	90,745
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	1,250,000	1,250,000	264,908	-	985,092
Transportation services	-	-	-	-	-
Principal and interst	-	-	-	-	-
Total support services	1,450,000	1,450,000	374,163	-	1,075,837
Total expenditures	2,250,000	2,250,000	936,780	-	1,313,220
Excess (deficiency) of revenues over (under) expenditures before transfers	502,154	502,154	10,137	-	(492,017)
Special item:					
Transfers (to) from other fund	-	-	-	-	-
Net change in fund balance	$ 502,154	$ 502,154	10,137	$ -	$ (492,017)
Net adjustments to the modified accrual basis of accounting			41,441		
Change in fund balance			51,578		

See accompanying Independent Auditor's Report.

Fremont County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Asset Replacement Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	2,351	2,351	1,322	-	(1,029)
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	306,731	306,731	-	-	(306,731)
Federal sources	1,942,734	1,942,734	-	-	(1,942,734)
Total revenues	2,251,816	2,251,816	1,322	-	(2,250,494)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	1,390,000	1,390,000	-	-	1,390,000
Vocational instruction	-	-	-	-	-
Total instruction	1,390,000	1,390,000	-	-	1,390,000
Support services:					
Pupil services	-	-	-	-	-
Staff services	100,000	100,000	-	-	100,000
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	750,000	750,000	100,901	-	649,099
Transportation services	-	-	-	-	-
Principal and interst	-	-	-	-	-
Total support services	850,000	850,000	100,901	-	749,099
Total expenditures	2,240,000	2,240,000	100,901	-	2,139,099
Excess (deficiency) of revenues over (under) expenditures before transfers	11,816	11,816	(99,579)	-	(111,395)
Special item:					
Transfers (to) from other fund	-	-	-	-	-
Net change in fund balance	$ 11,816	$ 11,816	(99,579)	$ -	$ (111,395)
Net adjustments to the modified accrual basis of accounting			2,259		
Change in fund balance			(97,320)		

Fremont County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Debt Service Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ 1,200,000	$ 1,200,000	$ 617,650	$ -	$ (582,350)
Interest and investment earnings	-	-	3,232	-	3,232
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total revenues	1,200,000	1,200,000	620,882	-	(579,118)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Principal and interest	1,200,000	1,200,000	12,420	-	1,187,580
Total support services	1,200,000	1,200,000	12,420	-	1,187,580
Total expenditures	1,200,000	1,200,000	12,420	-	1,187,580
Excess (deficiency) of revenues over (under) expenditures before transfers	-	-	608,462	-	608,462
Special item:					
Transfers (to) from other fund	-	-	-	-	-
Net change in fund balance	$ -	$ -	$ 608,462	$ -	$ 608,462
Net adjustments to the modified accrual basis of accounting			(12,420)		
Change in fund balance			596,042		

See accompanying Independent Auditor's Report.

Fremont County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Food Services Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	150	150	114	-	(36)
Other local sources	75,000	75,000	76,036	-	1,036
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	101,000	101,000	97,930	-	(3,070)
Total revenues	176,150	176,150	174,080	-	(2,070)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	297,000	297,000	277,537	-	19,463
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
Principal and interest	-	-	-	-	-
Total support services	297,000	297,000	277,537	-	19,463
Total expenditures	297,000	297,000	277,537	-	19,463
Excess (deficiency) of revenues over (under) expenditures before transfers	(120,850)	(120,850)	(103,457)	-	17,393
Special item:					
Transfers (to) from other fund	100,000	100,000	110,897	-	10,897
Net change in fund balance	$ (20,850)	$ (20,850)	$ 7,440	$ -	$ 28,290
Net adjustments to the accrual basis of accounting			(3,558)		
Change in net position			$ 3,882		

See accompanying Independent Auditor's Report.

Fremont County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Housing Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	402	402	379	-	(23)
Other local sources	33,643	33,643	40,223	-	6,580
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total revenues	34,045	34,045	40,602	-	6,557
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	50,000	50,000	31,540	-	18,460
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
Principal and interest	-	-	-	-	-
Total support services	50,000	50,000	31,540	-	18,460
Total expenditures	50,000	50,000	31,540	-	18,460
Excess (deficiency) of revenues over (under) expenditures before transfers	(15,955)	(15,955)	9,062	-	25,017
Special items:					
Transfers (to) from other fund	-	-	-	-	-
Net change in fund balance	$ (15,955)	$ (15,955)	$ 9,062	$ -	$ 25,017
Net adjustments to the accrual basis of accounting			(10,577)		
Change in net position			$ (1,515)		

See accompanying Independent Auditor's Report.

Fremont County School District No. 6
Notes to Budgetary Comparison Schedules
June 30, 2013

1. Basis of Presentation

The budgetary comparison schedules have been prepared on the cash basis of accounting, which is the same basis of accounting used by the District in its budgeting process. .

2. Comparison of Expenditures to Budgeted Amounts

The legal level of budgetary control for school districts in Wyoming is at the departmental level. According to W.S. 16-4-102(a)(vii) "department" means "a functional unit within a fund which carries on a specific activity, such as ... a major program category such as "instruction" in a school district fund." The *Wyoming School Budgeting, Accounting and Reporting Manual* gives the following breakdown of functional units within the District's accounts:

- Instruction – includes regular, special and vocational instruction categories on the District's financial statements.
- Instructional Support – includes pupil service, staff services categories on the District's financial statements.
- General Support – includes central administration, school administration, business administration, general maintenance and transportation services on the District's financial statements.
- Community Support
- Other Outlays

These groupings are broader than the groupings used by the District for financial reporting purposes. Based on the groupings used by the District for financial reporting, it appears that a functional category may be over budget; when in fact, several reporting categories are included in one functional category for legal budgetary control.

Proprietary fund budgets are required for adequate management control and for public information. However, these funds accounts shall not be deemed to have spent amounts in excess of those budgeted when the funds available from all sources are sufficient to cover the additional operating expenditures which have been approved by the governing bodies.

The District did not overspend its adopted budget in any of its funds.

Compliance Reports

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*

Board of Trustees
Fremont County School District No. 6
Pavillion, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fremont County School District No. 6, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Fremont County School District No. 6's basic financial statements and have issued our report thereon dated October 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fremont County School District No. 6'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 No. 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Fremont County School District No. 6's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2013-01 and 2013-02 that we consider to be significant deficiencies.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fremont County School District No. 6's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Fremont County School District No. 6's Response to Findings

Fremont County School District No. 6's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Fremont County School District No. 6's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The 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.

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

October 10, 2013

DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB circular A-133

Board of Trustees
Fremont County School District No. 6
Pavillion, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Fremont County School District No. 6's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Fremont County School District No. 6's major federal programs for the year ended June 30, 2013. Fremont County School District No. 6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Fremont County School District No. 6's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Fremont County School District No. 6's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Fremont County School District No. 6's compliance.

Opinion on Each Major Federal Program

In our opinion, Fremont County School District No. 6, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

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Report on Internal Control Over Compliance

Management of Fremont County School District No. 6, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fremont County School District No. 6's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fremont County School District No. 6's internal control over compliance.

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

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

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

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

October 10, 2013

Fremont County School District No. 6
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Education:			
Direct Program			
School Assistance in Federally Affected Areas (PL 103-382)	84.041	n/a	$ 160,336
Passed Through Wyoming Department of Education:			
Title I Grants to Local Educational Agencies	84.010	110706T1A00	28,963
Title I Grants to Local Educational Agencies	84.010	1207062T1A00	35,190
Title I Grants to Local Educational Agencies	84.010	1307062T1A00	141,138
Total for Title I-A Cluster			205,291
Special Education Cluster:			
Special Education Grants to States	84.027	110706VIB00	33,461
Special Education Grants to States	84.027	120706VIB00	10,619
Special Education Grants to States	84.027	130706VIB00	83,081
Special Education Preschool Grants	84.173	130706VIBP00	107
Total Special Education Cluster			127,268
Title IVBC5C	84.287	1207061C5C00	71,149
Title IVBC5C	84.287	1307061C5C00	41,786
Total for Lights On			112,935
Education Jobs Fund	84.410	N/A	76,495
Total passed through Wyoming Department of Education			521,989
Total U.S. Department of Education			682,325
U.S. Department of Agriculture:			
Passed Through State Department of Education:			
USDA School Lunch Program - Cash Assistance	10.555	N/A	97,930
USDA School Lunch Program - Non-Cash Assistance	10.555	N/A	10,590
Total for CFDA 10.555			108,520
Total U.S. Department of Agriculture			108,520
Total Federal Financial Assistance			$ 790,845

See accompanying notes to schedule.

Fremont County School District No. 6
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Fremont County School District No. 6 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. Nonmonetary Transactions

Nonmonetary assistance is reported for food commodities received under the National School Lunch Program at the fair market value of the commodities received, as established by the Wyoming Department of Education. The District held an undetermined amount of those commodities as part of its food inventory at June 30, 2013.

3. Rural Education Achievement Program

The Rural Education Achievement Program (REAP) is a federal initiative designed to address the unique needs of rural school districts. Under REAP, school districts are allowed to combine funding from one federal grant with funding from another federal grant, and then use the combined amount to meet the objectives of only one of the federal programs. In the current year, the District "REAPED" $76,837 of Title II-A funding into the District's Title I program. The Schedule of Expenditures of Federal Awards at page 39 presents the Title II-A funding as being expended through the Title I grant program.

Fremont County School District No. 6
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section I – Summary of Auditor's Results:

Financial Statements

Type of auditors' report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	____ yes	X no	
Reportable condition(s) identified not considered to be a material weakness(es)?	X yes	____	none reported
Noncompliance material to financial statements noted?	____ yes	X no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	____ yes	X no	
Reportable condition(s) identified not considered to be a material weakness(es)?	____ yes	X	none reported
Type of auditors' report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	____ yes	X no	

Identification of Major Programs:

CFDA Numbers	Name of Federal Program or Cluster
84.287C	Lights On
84.410A	JOBS in Education

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000		
Auditee qualified as low risk auditee?	X yes	____	no

Other Matters

Auditee's Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?	____ yes	X no	

Fremont County School District No. 6
Schedule of Findings and Responses
Year Ended June 30, 2013

Section II – Financial Statement Findings

This section identifies the audit findings (significant deficiencies, material weaknesses, and instances of noncompliance material to the financial statements) related to the basic financial statements.

Finding 2013-1

Condition/Context:

The size of the District's staff is not large enough to permit an adequate segregation of duties for an effective system of internal control.

Criteria:

An effective system of internal controls requires that closely related duties be segregated.

Effect:

The concentration of duties and responsibilities by a small staff makes it difficult to establish an adequate system of automatic internal checks on the accuracy and reliability of the accounting records.

Cause:

The District's staff is too small to allow an adequate segregation of duties.

Recommendation:

Although the District is not large enough to permit a complete segregation of duties for an effective system of internal accounting control, we recommend that officials be aware that the condition does exist and take steps to identify opportunities to further segregate duties where possible.

Views of Responsible Officials and Planned Corrective Actions:

Management and the Board of Trustees are aware of this condition and have made a conscious decision to accept the resulting degree of risk because of cost or other considerations.

Section II – Financial Statement Findings, continued

Finding 2013-2

Condition/Context:

Due in part to the District's size and limited staff resources, the District does not have someone within the internal control structure with sufficient knowledge of generally accepted accounting principles (GAAP) to convert their accounting records from the cash basis of accounting which is required by the Wyoming Department of Education (WDE), to GAAP basis financial statements. Although the District has retained the services of a Certified Public Accountant (CPA) to assist them in transitioning from the cash basis of accounting to the accrual basis of accounting, it is very difficult to make every required adjustment in the time allotted to make this conversion. Therefore, even though the District is doing a comparatively great job of preparing their financial information for the audit, the District's financial statements required a number of audit adjustments in order to be materially correct.

Criteria:

An effective system of internal control over financial reporting includes the District's ability to generate financial statements in compliance with generally accepted accounting principles.

Effect:

The District's financial statements were materially misstated, and required several audit adjustments.

Cause:

The District does not have staff members with training in creating financial statements that are compliant with generally accepted accounting principles. The District did engage the services of an outside CPA to assist in preparation for the audit; however, this did not entirely resolve the problem.

Recommendation:

We recommend that the District continue to operate as it currently does. It is our opinion that it is more important to spend the District's resources training their staff to perform their accounting function in order to meet the WDE's reporting requirements, and to continue to use the outside CPA to help them prepare for their annual financial statement audit.

Views of Responsible Officials and Planned Corrective Actions:

The District will continue to train its staff to perform all the duties necessary to provide cash basis financial information to WDE and other State agencies, and will continue to obtain the services of the outside CPA to help them prepare for their GAAP based financial statement audit.

Fremont County School District No. 6
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section III – Federal Award Findings and Questioned Costs:

This section identifies the audit findings (significant deficiencies, material weaknesses, and material instances of noncompliance) required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings to report.

Fremont County School District No. 6
Status of Prior Year Findings
Year Ended June 30, 2013

Finding 2012-1

Condition	The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal controls.
Status	This condition existed again in the current year – see Finding 2013-1.

Finding 2012-2

Condition	The District's records lack the necessary support for the District-Wide financial statements.
Status	This condition existed again in the current year – see Finding 2013-2.