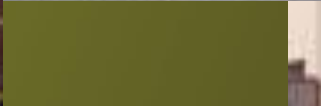


Park County School District #1



Annual Financial Report

Fiscal Year Ended

June 30, 2013

PARK COUNTY SCHOOL DISTRICT #1

FINANCIAL REPORT

June 30, 2013

CONTENTS

| | |
|---|----|
| Independent Auditor's Report | 1 |
| Management's Discussion and Analysis (Unaudited) | 4 |
| Basic Financial Statements | 11 |
| Government-wide Financial Statements | |
| Statement of Net Position | 12 |
| Statement of Activities | 13 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet - Governmental Funds | 15 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 16 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 17 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 18 |
| Proprietary Funds | |
| Statement of Net Position - Proprietary Funds | 19 |
| Statement of Revenues, Expenses and Changes in Fund | |
| Net Position - Proprietary Funds | 20 |
| Statement of Cash Flows - Proprietary Funds | 21 |
| Statement of Fiduciary Net Position - All Fiduciary Funds | 22 |
| Statement of Changes in Fiduciary Net Position - Fiduciary Funds | 23 |
| Notes to Financial Statements | 24 |
| Required Supplementary Information | 36 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance Compared to Budget (NON-GAAP BASIS) - General Fund | 37 |
| Schedule of Revenue, Expenditures and Changes in Fund Balance Compared to Budget (NON-GAAP BASIS) - Federal and State Grants Fund | 48 |
| Note to Required Supplementary Information | 49 |
| Other Supplementary Information | 50 |
| Combining Balance Sheet - Non-Major Governmental Funds | 51 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds | 52 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance Compared to Budget (NON-GAAP BASIS) - Major Maintenance Fund | 53 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance Compared to Budget (NON-GAAP BASIS) - Capital Construction Fund | 54 |

CONTENTS (CONTINUED)

| | |
|--|----|
| Federal and State Financial Assistance Reports | 55 |
| Schedule of Expenditures of Federal Awards | 56 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> | 58 |
| Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance | 60 |
| Schedule of Findings and Questioned Costs | 62 |
| Schedule of Prior Audit Findings | 64 |



PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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

INDEPENDENT AUDITOR'S REPORT

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

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 Park County School District #1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Park County School District #1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to previously 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 Park County School District #1, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied during the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information and Schedule of Expenditures of Federal Awards

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2013, on our consideration of Park County School District #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Park County School District #1's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

November 25, 2013
Casper, Wyoming

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

As management of Park County School District #1, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements and various supplementary information, which follow this section.

Financial Highlights

- The District's total combined net assets were \$73,573,948 at June 30, 2013 which compares to \$73,858,724 at the beginning of the fiscal year, a decrease of \$284,776 (.38%).
- During the year, the District's expenses for governmental activities were \$27,695,881. The District's revenue generated in taxes and other revenues for governmental activities was \$24,385,695. For the District's governmental activities, which includes transactions posted in the general fund, grants fund, the capital construction fund, and the debt service fund and business-type activities total expenses were \$28,483,917. The District's revenue generated in taxes and other revenues for the above funds total \$24,538,885.
- Phase II of the Middle School is in design phase and is funded with state capital construction dollars. It will go to bid in early 2014 with a completion date of 2016. The old high school is still in the planning and design phase for selective demolition and renovation of the support services portion of the building using state capital construction money. The District paid off all of its bus lease agreements. The bus lease payoffs are reimbursed on a year behind basis by the Wyoming Department of Education. No additional long-term debt was incurred by the District in the current year.

Overview of the Financial Statements

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

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

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

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

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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

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

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

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. Such information may be useful in evaluating a government's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities reported in the Statement of Net Assets and the Statement of Activities and the governmental funds are reconciled in the financial statements. The general fund, federal and state grants fund and capital construction fund are considered major funds and are reported as separate columns in the fund financial statements. All other governmental funds of the District are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.
- **Proprietary funds.** Proprietary funds are used to account for services for which the District charges participants a fee. These funds, like the government-wide statements, provide both long- and short-term financial information. The Non-Major Enterprise Fund - Food Service is the only fund in this category for the District.
- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. The District has two categories of funds in this section. The Early Retirement Fund, Scholarship Fund and Donations Fund are combined as a Private Purpose Trust Fund. The Activities Fund is shown as an Agency Fund.
- **Notes to the financial statements.** The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements.

Other information

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

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

Financial Analysis of the District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The following provides a summary of the District's net assets:

| Condensed Statement of Net Assets | | | | | | |
|---|-------------------------|-------------------------|--------------------------|--------------------------|-----------------------|-----------------------|
| | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 |
| | Governmental Activities | Governmental Activities | Business-Type Activities | Business-Type Activities | Total School District | Total School District |
| Current and other assets | \$15,725,211 | \$15,632,300 | \$ 196,927 | \$ 253,425 | \$15,922,138 | \$15,885,725 |
| Capital assets | 61,295,736 | 60,159,757 | 166,973 | 301,896 | 61,462,709 | 60,461,653 |
| Total assets | 77,020,947 | 75,792,057 | 363,900 | 555,321 | 77,384,847 | 76,347,378 |
| Other liabilities | 2,724,041 | 2,335,625 | 28,174 | 76,312 | 2,752,215 | 2,411,937 |
| Long-term liabilities | 763,304 | 369,219 | 10,604 | 10,569 | 773,908 | 379,788 |
| Total liabilities | 3,487,345 | 2,704,844 | 38,778 | 86,881 | 3,526,123 | 2,791,725 |
| Net Assets: | | | | | | |
| Invested in capital assets, net of related debt | 60,912,763 | 60,159,757 | 166,973 | 301,896 | 61,079,736 | 60,461,653 |
| Restricted | 688,200 | 733,513 | - | - | 688,200 | 733,513 |
| Unrestricted | 11,932,639 | 12,163,513 | 158,149 | 215,269 | 12,090,788 | 12,378,782 |
| Total net assets | \$73,533,602 | \$73,056,783 | \$ 325,122 | \$ 517,165 | \$73,858,724 | \$73,573,948 |

The net investment in capital assets is \$60,461,653, which is the net book value of capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. An additional portion of the District's net assets \$733,513 represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$12,378,782 may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

The District's total net assets decreased by \$284,776 during the year ended June 30, 2013. The total cost of all governmental activities this year was \$27,695,881 and of the business-type activity was \$788,036. The amount paid by the State Foundation program was \$13,480,925 or 55.28% of revenues.

The total expenses of all governmental activities were \$27,695,881 in 2013 compared to \$27,516,357 in 2012. In 2013, the District provided increased salary and benefits across the board for all employees as well as continued the contribution to a Health Reimbursement Arrangement and funded it for fiscal year 2014 for all benefit eligible employees. Expenses for one-time purchases, which aligned with the District's strategic plan and goals, also occurred prior to the end of the fiscal year.

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

| Changes in the District's Net Assets | | | | | | |
|---|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|----------------------------------|
| | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 | 2011-2012 | 2012-2013 |
| | Governmental Activities | Governmental Activities | Business-Type Activities | Business-Type Activities | Total School District | Total School District |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 529,326 | \$ 149,153 | \$ 395,557 | \$ 410,441 | \$ 924,883 | \$ 559,594 |
| Operating grants and contributions | 2,790,428 | 2,254,684 | 401,374 | 407,024 | 3,191,802 | 2,661,708 |
| Capital grants and contributions | 6,697,546 | 429,530 | - | - | 6,697,546 | 429,530 |
| General revenues: | | | | | | |
| Taxes | 9,535,484 | 10,407,922 | - | - | 9,535,484 | 10,407,922 |
| Governmental aid | 14,442,576 | 13,746,940 | - | - | 14,442,576 | 13,746,940 |
| Miscellaneous | 251,759 | 384,023 | 2,616 | 9,424 | 254,375 | 393,447 |
| Total revenues | 34,247,119 | 27,372,252 | 799,547 | 826,889 | 35,046,666 | 28,199,141 |
| Expenses: | | | | | | |
| Regular instruction | (9,734,537) | (9,909,569) | - | - | (9,734,537) | (9,909,569) |
| Special education instruction | (4,730,592) | (4,387,136) | - | - | (4,730,592) | (4,387,136) |
| Vocational education | (585,801) | (513,959) | - | - | (585,801) | (513,959) |
| Student activities | (921,460) | (890,571) | - | - | (921,460) | (890,571) |
| Pupil services | (1,451,967) | (1,403,531) | - | - | (1,451,967) | (1,403,531) |
| Instructional staff services | (1,719,960) | (1,648,145) | - | - | (1,719,960) | (1,648,145) |
| General administration | (427,629) | (420,197) | - | - | (427,629) | (420,197) |
| School administration services | (1,491,186) | (1,478,194) | - | - | (1,491,186) | (1,478,194) |
| Business services | (638,232) | (616,465) | - | - | (638,232) | (616,465) |
| Operation & Maintenance of plant services | (2,622,329) | (2,775,156) | - | - | (2,622,329) | (2,775,156) |
| Pupil transportation services | (1,307,783) | (1,295,004) | - | - | (1,307,783) | (1,295,004) |
| Central services | (790,755) | (1,097,109) | - | - | (790,755) | (1,097,109) |
| Operation of non-instructional services | (724) | - | - | - | (724) | - |
| Facilities, acquisitions, and construction services | (973,356) | (1,244,074) | - | - | (973,356) | (1,244,074) |
| Interest on long term debt | (15,264) | (16,771) | - | - | (15,264) | (16,771) |
| Food service fund | - | - | (809,922) | (788,036) | (809,922) | (788,036) |
| Transfers | (104,782) | (153,190) | 104,782 | 153,190 | - | - |
| Total expenses | (27,516,357) | (27,849,071) | (705,140) | (634,846) | (28,221,497) | (28,483,917) |
| Change in net position | \$ 6,730,762 | \$ (476,819) | \$ 94,407 | \$ 192,043 | \$ 6,825,169 | \$ (284,776) |

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

Financial Analysis of the District's Funds

Governmental Funds:

General Fund

General Fund revenues were up slightly due to increased foundation guarantee as the 100% reimbursements in special education and transportation were higher as were District level resources in the block grant funding model.

Capital Construction Fund

Capital Construction Fund revenue decreased by \$6,128,048. Construction in the District has slowed down and Phase I addition to the middle school is just finalizing warranty and punch list items. Westside Elementary and the Track/Stadium renovation project only and warranty and punch list items remaining. The District received approval to move ahead with the Phase II portion of replacement of the Powell Middle School and is in the planning stages of that project. Selective Demolition and Renovation of the old High School (Support Services Building) is also in the planning stages. The State is now required to take over the capital requirements of building new buildings or doing significant upgrade, renovations and remodels. These projects are funded using a facility plan that is approved by the state school facilities commission on an annual basis.

Federal and State Grants Fund

Federal and State Grants Fund decreased as allocations at the federal level for education funding have declined in all major grant programs. Sequestration cuts hit across all federal grants. Major maintenance was not funded at 100% by the legislature.

Proprietary Fund

The total net income for the Food Service Fund showed a positive \$192,043 for the current fiscal year. We will be able to maintain our meal cost with no increase to parents for the second year in a row even though we are experiencing increased food costs with the new federal USDA guidelines requiring more fruit, vegetables and whole grains. Meal participation rates continue to increase and the program qualified for the additional 6 cent/meal reimbursements from the National School Lunch Program. Labor costs and assignments were reviewed when the new Middle School kitchen opened and necessary changes were made which allowed us to be more efficient and effective. The Department of Defense Fresh Fruit and Vegetable Program was used to lower District dollars and utilize the federal commodity program entitlements.

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

General Fund Budgetary Highlights

The 16:1 K-3 student to teacher ratio mandated by statute has driven the need to hire additional staff in the elementary as well as other staff members to fully staff the expanded Westside School to 3 sections. The swimming pool contribution remained the same in FY13 for access for our activity teams and also for instructional PE. The District budgeted and expended one-time dollars for major item purchases across all building levels. Money received in the Instructional Facilitators grant is not sufficient to fully fund the staff we have, therefore dollars are transferred from the general fund to support this program. The District received a state grant to fund a Pre-K liaison position but it is not sufficient to fully fund the program so the balance was transferred from the general fund. Technology continues to be a focus in the District and dollars are budgeted and expended to support this effort across all instructional and support areas.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$60,159,757 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, vehicles and land improvements.

| District's Capital Assets (Governmental Activities) | | |
|--|------------------|------------------|
| (net of depreciation) | 2011-2012 | 2012-2013 |
| Land | \$ 1,498,465 | \$ 307,741 |
| Construction in Progress | 16,334,369 | 5,086,101 |
| Buildings and Improvements | 41,075,882 | 52,542,630 |
| Equipment | 1,533,036 | 1,354,526 |
| Vehicles | 853,985 | 868,759 |
| Total | \$ 61,295,737 | \$ 60,159,757 |

| District's Capital Assets (Business-type Activities) | | |
|---|------------------|------------------|
| (net of depreciation) | 2011-2012 | 2012-2013 |
| Equipment | \$ 166,973 | \$ 301,896 |

PARK COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

Long-Term Debt

The District paid off its lease on its five route and two activity school buses in FY13. The Wyoming Department of Education reimburses the full cost of the lease payments in the foundation payment program.

Factors Affecting the District's Future

The District is beginning to see a slight trend with increased enrollment, which brings both positives and negatives. The positive side is more students, increased funding and a bright future for the District since our entire function is educating students. The District added new staff in the elementary schools with no additional revenue funding in order to meet scheduling needs, enrollment increases and the 16:1 K-3 State statute. As Phase II of the new middle school and renovation of the Support Services Building progress, shifts in program locations will occur and new teaching strategies and delivery methods explored. There was no ECA adjustment to the funding model for fiscal year 2013 and recalibration came and went with no new dollars to the model. We will have to be diligent in monitoring our budgets, both revenue and expenditures to make sure that we continue in our strong financial position.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Coordinator of Business Services, Mary Lewis, 160 N. Evarts, Powell WY 82435.

BASIC FINANCIAL STATEMENTS

PARK COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION

June 30, 2013

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,231,317 | \$ 103,397 | \$ 3,334,714 |
| Cash held by County Treasurer | 97,664 | - | 97,664 |
| Investments | 11,600,000 | 130,000 | 11,730,000 |
| Property taxes receivable | 53,697 | - | 53,697 |
| Grants receivable | 605,050 | - | 605,050 |
| Inventory | 44,572 | 20,028 | 64,600 |
| Capital assets not being depreciated | | | |
| Land | 307,741 | - | 307,741 |
| Construction in progress | 5,086,101 | - | 5,086,101 |
| Capital assets being depreciated | | | |
| Buildings and improvements | 52,542,630 | - | 52,542,630 |
| Machinery and equipment | 1,354,526 | 301,896 | 1,656,422 |
| Vehicles | 868,759 | - | 868,759 |
| Total assets | <u>75,792,057</u> | <u>555,321</u> | <u>76,347,378</u> |
| LIABILITIES | | | |
| Accounts payable | 94,469 | 7,221 | 101,690 |
| Accrued wages payable | 2,241,156 | 20,366 | 2,261,522 |
| Long-term liabilities: | | | |
| Unearned revenue | 30,430 | - | 30,430 |
| Due within one year | 18,461 | 528 | 18,989 |
| Due in more than one year | 350,758 | 10,041 | 360,799 |
| Total liabilities | <u>2,735,274</u> | <u>38,156</u> | <u>2,773,430</u> |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 60,159,757 | 301,896 | 60,461,653 |
| Restricted for | | | |
| Debt service | 16,958 | - | 16,958 |
| Special revenue fund (major maintenance) | 716,555 | - | 716,555 |
| Unrestricted | 12,163,513 | 215,269 | 12,378,782 |
| Total net position | <u>\$ 73,056,783</u> | <u>\$ 517,165</u> | <u>\$ 73,573,948</u> |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

| Function/Programs | Expenses | Program Revenues | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities | | | | |
| Instruction | | | | |
| Regular instruction | \$ 9,909,569 | \$ - | \$ - | \$ - |
| Special education instruction | 4,387,136 | - | 1,472,309 | - |
| Vocational education | 513,959 | - | - | - |
| Student activities | 890,571 | - | - | - |
| Support services | | | | |
| Pupil services | 1,403,531 | - | - | - |
| Instructional staff services | 1,648,145 | - | 753,064 | - |
| General administration services | 420,197 | - | 29,311 | - |
| School administration services | 1,478,194 | 149,153 | - | - |
| Business services | 616,465 | - | - | - |
| Operation and maintenance of plant services | 2,775,156 | - | - | - |
| Pupil transportation services | 1,295,004 | - | - | - |
| Central services | 1,097,109 | - | - | - |
| Facilities, acquisitions and construction services | 1,244,074 | - | - | 429,530 |
| Interest on long-term debt | 16,771 | - | - | - |
| Total governmental activities | <u>27,695,881</u> | <u>149,153</u> | <u>2,254,684</u> | <u>429,530</u> |
| Business-type activities | | | | |
| Food Service Fund | 788,036 | 410,441 | 407,024 | - |
| Total business-type activities | <u>788,036</u> | <u>410,441</u> | <u>407,024</u> | <u>-</u> |
| Total School District | <u>\$ 28,483,917</u> | <u>\$ 559,594</u> | <u>\$ 2,661,708</u> | <u>\$ 429,530</u> |
| General revenues | | | | |
| Taxes | | | | |
| Property taxes, levied for general purposes | | | | |
| Property taxes, levied for specific purposes | | | | |
| Debt service | | | | |
| Major maintenance | | | | |
| Federal, state and local aid not restricted to specific purposes | | | | |
| State Foundation program | | | | |
| County sources | | | | |
| Unrestricted investment earnings | | | | |
| Investment earnings restricted for major maintenance | | | | |
| Investment earnings restricted for capital construction | | | | |
| Unrestricted miscellaneous revenue | | | | |
| Transfers | | | | |
| Total general revenues | | | | |
| Change in net position | | | | |
| Net position - beginning of year | | | | |
| Net position - end of year | | | | |

See accompanying notes to the financial statements

Net (Expenses) Revenue and Changes in Net Position

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|----------------------|
| \$ (9,909,569) | \$ - | \$ (9,909,569) |
| (2,914,827) | - | (2,914,827) |
| (513,959) | - | (513,959) |
| (890,571) | - | (890,571) |
| (1,403,531) | - | (1,403,531) |
| (895,081) | - | (895,081) |
| (390,886) | - | (390,886) |
| (1,329,041) | - | (1,329,041) |
| (616,465) | - | (616,465) |
| (2,775,156) | - | (2,775,156) |
| (1,295,004) | - | (1,295,004) |
| (1,097,109) | - | (1,097,109) |
| (814,544) | - | (814,544) |
| (16,771) | - | (16,771) |
| <u>(24,862,514)</u> | <u>-</u> | <u>(24,862,514)</u> |
| - | 29,429 | 29,429 |
| - | 29,429 | 29,429 |
| <u>(24,862,514)</u> | <u>29,429</u> | <u>(24,833,085)</u> |
| 9,667,260 | - | 9,667,260 |
| (648) | - | (648) |
| 741,310 | - | 741,310 |
| 13,480,925 | - | 13,480,925 |
| 266,015 | - | 266,015 |
| 117,489 | 1,897 | 119,386 |
| 10,800 | - | 10,800 |
| 30,169 | - | 30,169 |
| 225,565 | 7,527 | 233,092 |
| (153,190) | 153,190 | - |
| <u>24,385,695</u> | <u>162,614</u> | <u>24,548,309</u> |
| (476,819) | 192,043 | (284,776) |
| 73,533,602 | 325,122 | 73,858,724 |
| <u>\$ 73,056,783</u> | <u>\$ 517,165</u> | <u>\$ 73,573,948</u> |

PARK COUNTY SCHOOL DISTRICT #1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

| | General Fund | Federal and State Grants Fund | Capital Construction Fund | Non-major Governmental Funds | Totals Governmental Funds |
|---|---------------------|-------------------------------------|---------------------------------|------------------------------------|---------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 1,582,216 | \$ - | \$ 532,616 | \$ 22,619 | \$ 2,137,451 |
| Cash held by County Treasurer | 80,706 | - | - | 16,958 | 97,664 |
| Investments | 5,700,000 | - | 2,500,000 | 700,000 | 8,900,000 |
| Property taxes receivable | 53,697 | - | - | - | 53,697 |
| Grants receivable | - | 519,368 | 85,682 | - | 605,050 |
| Due from other funds | 222,369 | - | - | - | 222,369 |
| Inventory | 44,572 | - | - | - | 44,572 |
| Total assets | <u>\$ 7,683,560</u> | <u>\$ 519,368</u> | <u>\$ 3,118,298</u> | <u>\$ 739,577</u> | <u>\$ 12,060,803</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities | | | | | |
| Accounts payable | \$ 4,417 | \$ 6,869 | \$ 77,119 | \$ 6,064 | \$ 94,469 |
| Accrued wages payable | 1,981,456 | 259,700 | - | - | 2,241,156 |
| Due to other funds | - | 222,369 | - | - | 222,369 |
| Unearned revenue | - | 30,430 | - | - | 30,430 |
| Total liabilities | <u>1,985,873</u> | <u>519,368</u> | <u>77,119</u> | <u>6,064</u> | <u>2,588,424</u> |
| Deferred inflows of resources | | | | | |
| Deferred property tax revenue | 18,389 | - | - | - | 18,389 |
| Total deferred inflows of resources | <u>18,389</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,389</u> |
| Fund balances | | | | | |
| Nonspendable | 44,572 | - | - | - | 44,572 |
| Restricted, debt service fund | - | - | - | 16,958 | 16,958 |
| Restricted, major maintenance fund | - | - | - | 716,555 | 716,555 |
| Committed | - | - | 3,041,179 | - | 3,041,179 |
| Unassigned | 5,634,726 | - | - | - | 5,634,726 |
| Total fund balances | <u>5,679,298</u> | <u>-</u> | <u>3,041,179</u> | <u>733,513</u> | <u>9,453,990</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 7,683,560</u> | <u>\$ 519,368</u> | <u>\$ 3,118,298</u> | <u>\$ 739,577</u> | <u>\$ 12,060,803</u> |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

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

June 30, 2013

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

| | | |
|--|----|-----------|
| Total fund balances - governmental funds | \$ | 9,453,990 |
|--|----|-----------|

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

| | | | |
|----------------------------|----|----------------|------------|
| Land | \$ | 307,741 | |
| Construction in progress | | 5,086,101 | |
| Buildings and improvements | | 52,542,630 | |
| Machinery and equipment | | 1,354,526 | |
| Vehicles | | <u>868,759</u> | 60,159,757 |

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenues in funds.

| | | |
|-------------------------------|--|--------|
| Deferred property tax revenue | | 18,389 |
|-------------------------------|--|--------|

Internal service funds are used by management to charge the costs of the
flex benefit plan to the various District functions. The assets and liabilities
of the internal service fund are included in governmental activities in the
statement of net assets.

3,793,866

Long-term liabilities, including compensated absences, are not due and
payable in the current period and therefore are not reported in the funds.

| | | |
|----------------------|--|------------------|
| Compensated absences | | <u>(369,219)</u> |
|----------------------|--|------------------|

| | | |
|---|----|--------------------------|
| Net position of governmental activities | \$ | <u><u>73,056,783</u></u> |
|---|----|--------------------------|

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS**

Year Ended June 30, 2013

| | General Fund | Federal and State Grants Fund | Capital Construction Fund | Non-major Governmental Funds | Total Governmental Funds |
|--|---------------------|-------------------------------------|---------------------------------|------------------------------------|--------------------------------|
| Revenues | | | | | |
| Taxes | \$ 7,258,394 | \$ - | \$ - | \$ (648) | \$ 7,257,746 |
| Intergovernmental revenues | 16,210,672 | 2,254,684 | 429,530 | 741,310 | 19,636,196 |
| Investment income | 80,786 | - | 30,169 | 10,800 | 121,755 |
| Miscellaneous | 24,541 | - | - | - | 24,541 |
| Total revenues | <u>23,574,393</u> | <u>2,254,684</u> | <u>459,699</u> | <u>751,462</u> | <u>27,040,238</u> |
| Expenditures | | | | | |
| Instruction | | | | | |
| Regular instruction | 9,888,200 | - | - | - | 9,888,200 |
| Special education instruction | 2,757,238 | 1,593,100 | - | - | 4,350,338 |
| Student activities | 884,499 | - | - | - | 884,499 |
| Vocational education | 501,992 | - | - | - | 501,992 |
| Total instruction | <u>14,031,929</u> | <u>1,593,100</u> | <u>-</u> | <u>-</u> | <u>15,625,029</u> |
| Support services | | | | | |
| Pupil services | 1,404,197 | - | - | - | 1,404,197 |
| Instructional staff services | 834,832 | 813,708 | - | - | 1,648,540 |
| General administration services | 390,217 | 30,888 | 11,644 | - | 432,749 |
| School administration services | 1,476,844 | - | - | - | 1,476,844 |
| Business services | 607,452 | - | - | - | 607,452 |
| Operation and maintenance of plant services | 2,343,621 | - | - | 706,149 | 3,049,770 |
| Pupil transportation services | 1,503,281 | - | - | - | 1,503,281 |
| Central services | 714,662 | - | - | - | 714,662 |
| Capital outlay | - | - | 448,773 | - | 448,773 |
| Debt service | | | | | |
| Principal | 382,973 | - | - | - | 382,973 |
| Interest | 16,771 | - | - | - | 16,771 |
| Total support services | <u>9,674,850</u> | <u>844,596</u> | <u>460,417</u> | <u>706,149</u> | <u>11,686,012</u> |
| Total expenditures | <u>23,706,779</u> | <u>2,437,696</u> | <u>460,417</u> | <u>706,149</u> | <u>27,311,041</u> |
| Excess (deficiency) of revenues over expenditures | <u>(132,386)</u> | <u>(183,012)</u> | <u>(718)</u> | <u>45,313</u> | <u>(270,803)</u> |
| Other financing sources (uses) | | | | | |
| Proceeds from lease purchase obligation | 203,868 | - | - | - | 203,868 |
| Sale of assets | - | - | 201,048 | - | 201,048 |
| Transfers in | - | 183,012 | - | - | 183,012 |
| Transfers out | <u>(183,012)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(183,012)</u> |
| Total other financing sources (uses) | <u>20,856</u> | <u>183,012</u> | <u>201,048</u> | <u>-</u> | <u>404,916</u> |
| Net change in fund balances | <u>(111,530)</u> | <u>-</u> | <u>200,330</u> | <u>45,313</u> | <u>134,113</u> |
| Fund balances - beginning of year | <u>5,790,828</u> | <u>-</u> | <u>2,840,849</u> | <u>688,200</u> | <u>9,319,877</u> |
| Fund balances - end of year | <u>\$ 5,679,298</u> | <u>\$ -</u> | <u>\$ 3,041,179</u> | <u>\$ 733,513</u> | <u>\$ 9,453,990</u> |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2013

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

| | | |
|---|----|---------|
| Net changes in fund balances- total governmental funds. | \$ | 134,113 |
|---|----|---------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | | | |
|---|--------------------|--|-----------|
| Capital outlay | \$ 12,279,936 | | |
| Less completed construction in progress | (11,975,873) | | |
| Current year capital outlay expenses | <u>304,063</u> | | |
| Additional construction in progress | 727,605 | | |
| Depreciation expense | <u>(1,908,316)</u> | | (876,648) |

The disposal of capital assets that results in a loss (cost is greater than the accumulated depreciation) does not require the use of current financial resources of governmental funds. Thus, that change is not recorded in the governmental funds. This is the net effect of these differences in the treatment of the disposal of capital assets.

| | | | |
|---|----------------|--|-----------|
| Disposal of capital assets (cost basis) | (824,930) | | |
| Accumulated depreciation | <u>565,598</u> | | (259,332) |

The issuance of long-term debt (lease purchase obligations) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net assets. This is the net effect of these differences in the treatment of long-term debt.

| | | | |
|---|----------------|--|---------|
| Lease purchase obligation | (203,868) | | |
| Principal paid on lease purchase obligation | <u>586,841</u> | | 382,973 |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | | | |
|--|---------------|--|----------|
| Deferred property tax revenue at June 30, 2012 | (73,255) | | |
| Deferred property tax revenue at June 30, 2013 | <u>18,390</u> | | (54,865) |

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

| | | | |
|--|------------------|--|--------|
| Compensated absences as of June 30, 2012 | 380,331 | | |
| Compensated absences as of June 30, 2013 | <u>(369,219)</u> | | 11,112 |

Internal service funds are accounted for as proprietary funds, therefore, they are not included in the governmental funds.

| | | |
|---|----|-------------------------|
| | | <u>185,828</u> |
| Change in net assets of governmental activities | \$ | <u><u>(476,819)</u></u> |

PARK COUNTY SCHOOL DISTRICT #1

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2013

| | Business-type Activity-Enterprise Fund | | Governmental Activities |
|--|--|---------------------------|----------------------------|
| | Non-Major Enterprise Fund | Total Enterprise Funds | Internal Service Fund |
| ASSETS | | | |
| Cash and cash equivalents | \$ 103,397 | \$ 103,397 | \$ 1,093,866 |
| Investments | 130,000 | 130,000 | 2,700,000 |
| Inventory | 20,028 | 20,028 | - |
| Noncurrent assets | | | |
| Property and equipment, net | 301,896 | 301,896 | - |
| Total assets | <u>555,321</u> | <u>555,321</u> | <u>3,793,866</u> |
| LIABILITIES | | | |
| Accounts payable | 7,221 | 7,221 | - |
| Accrued liabilities, including compensated absences | 30,935 | 30,935 | - |
| Total liabilities | <u>38,156</u> | <u>38,156</u> | <u>-</u> |
| NET POSITION | | | |
| Invested in capital assets, net of related debt | 301,896 | 301,896 | - |
| Unrestricted | 215,269 | 215,269 | 3,793,866 |
| Total net position | <u>\$ 517,165</u> | <u>\$ 517,165</u> | <u>\$ 3,793,866</u> |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS

Year Ended June 30, 2013

| | Business-type Activities-Enterprise Fund | | Governmental Activities |
|-----------------------------------|--|------------------------------|----------------------------|
| | Non-major Enterprise Fund | Total Enterprise Funds | Internal Service Fund |
| Operating revenues | | | |
| Charges for services | \$ 410,441 | \$ 410,441 | \$ 3,723,773 |
| Total operating revenues | 410,441 | 410,441 | 3,723,773 |
| Operating expenses | | | |
| Premium expense/claims | - | - | 3,574,645 |
| Food service | 769,768 | 769,768 | - |
| Depreciation | 18,268 | 18,268 | - |
| Total operating expenses | 788,036 | 788,036 | 3,574,645 |
| Net income (loss) from operations | (377,595) | (377,595) | 149,128 |
| Nonoperating revenues | | | |
| Federal subsidy | 407,024 | 407,024 | - |
| Interest income | 1,897 | 1,897 | 36,700 |
| Gain on disposition of assets | 7,527 | 7,527 | - |
| Total nonoperating revenues | 416,448 | 416,448 | 36,700 |
| Other financing sources | | | |
| Capital contribution | 153,190 | 153,190 | - |
| Total other financing sources | 153,190 | 153,190 | - |
| Net income | 192,043 | 192,043 | 185,828 |
| Net position - beginning of year | 325,122 | 325,122 | 3,608,038 |
| Net position - end of year | \$ 517,165 | \$ 517,165 | \$ 3,793,866 |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

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

| | Business-type Activities-Enterprise Fund | | Governmental Activities |
|--|--|------------------------------|----------------------------|
| | Non-major Enterprise Fund | Total Enterprise Funds | Internal Service Fund |
| Cash flows from operating activities | | | |
| Cash received from services | \$ 410,441 | \$ 410,441 | \$ 3,723,773 |
| Cash paid to suppliers for goods and services | (437,809) | (437,809) | (3,574,645) |
| Cash paid to employees for services | (329,400) | (329,400) | - |
| Cash paid for interfund services used | 33,965 | 33,965 | - |
| Net cash provided (used) by operating activities | (322,803) | (322,803) | 149,128 |
| Cash flows from noncapital financing activities | | | |
| Federal reimbursement | 366,358 | 366,358 | - |
| Net cash provided by noncapital financing activities | 366,358 | 366,358 | - |
| Cash flows from capital financing activities | | | |
| Proceeds from sale of capital assets | 7,527 | 7,527 | - |
| Net cash provided by capital financing activities | 7,527 | 7,527 | - |
| Cash flows from investing activities | | | |
| Interest income | 1,897 | 1,897 | 36,700 |
| Purchase of investments | (130,000) | (130,000) | (2,700,000) |
| Net cash used by investing activities | (128,103) | (128,103) | (2,663,300) |
| Net decrease in cash and cash equivalents | (77,021) | (77,021) | (2,514,172) |
| Cash and cash equivalents - beginning of year | 180,418 | 180,418 | 3,608,038 |
| Cash and cash equivalents - end of year | \$ 103,397 | \$ 103,397 | \$ 1,093,866 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ (377,595) | \$ (377,595) | \$ 149,128 |
| USDA Commodity subsidy | 40,666 | 40,666 | - |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | | |
| Depreciation | 18,268 | 18,268 | - |
| Increase in cash and cash equivalents resulting from changes in operating assets and liabilities | | | |
| Inventory | (3,520) | (3,520) | - |
| Accounts payable | 77 | 77 | - |
| Accrued liabilities | (699) | (699) | - |
| Net cash provided (used) by operating activities | \$ (322,803) | \$ (322,803) | \$ 149,128 |

Non-cash transactions

USDA commodities valued at \$40,666.

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY NET POSITION - ALL FIDUCIARY FUNDS

June 30, 2013

| | Private-Purpose Trust Funds | Agency Funds Student Activity Fund | Totals |
|--|--------------------------------|--|-----------|
| ASSETS | | | |
| Cash and cash equivalents | \$ (1,852) | \$ 80,992 | \$ 79,140 |
| Investments | 50,000 | 100,000 | 150,000 |
| Total assets | 48,148 | 180,992 | 229,140 |
| LIABILITIES | | | |
| Accounts payable | 200 | 6,815 | 7,015 |
| Due to student groups | - | 174,177 | 174,177 |
| Total liabilities | 200 | 180,992 | 181,192 |
| NET POSITION | | | |
| Held in trust for scholarships and equipment | 47,948 | - | 47,948 |
| Total net position | \$ 47,948 | \$ - | \$ 47,948 |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

Year Ended June 30, 2013

| | Private-Purpose Trust Funds | Total |
|----------------------------------|--------------------------------|------------------|
| Additions | | |
| Miscellaneous revenue | \$ 6,659 | \$ 6,659 |
| Interest earnings | (175) | (175) |
| Total additions | <u>7,202</u> | <u>7,202</u> |
| Deductions | | |
| Supplies and materials | 1,150 | 1,150 |
| Purchased services | 5,372 | 5,372 |
| Total deductions | <u>6,522</u> | <u>6,522</u> |
| Change in net position | 680 | 680 |
| Net position - beginning of year | <u>47,268</u> | <u>47,268</u> |
| Net position - end of year | <u>\$ 47,948</u> | <u>\$ 47,948</u> |

See accompanying notes to the financial statements

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies

Reporting Entity

The Board of Trustees (Board) is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Park County School District #1. The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the District serves as the nucleus for the reporting entity under the provisions of GASB Statement No. 14 and No. 39 for its basic financial statements. Using this premise, the District is not financially accountable for any other organizations and thus, includes only the financial statements of the District. Park County School District #1 has no component units nor is it considered a component unit of any other government.

Related Organization

The District has participated in the creation of the Powell Schools Foundation. Powell Schools Foundation is a non-profit corporation organized for the purpose of raising funds to promote educational opportunities of students who have attended or are attending schools within Park County School District #1, State of Wyoming. Powell Schools Foundation serves as a conduit to receive and accept gifts and donations for the purpose of providing scholarships, grants, student loans, and/or any other forms of financial assistance to those students. The Park County School District #1 Board of Trustees selected the initial members of the Foundation but cannot directly impose its will on the Foundation nor is the District financially accountable for the Foundation. The Foundation is a separate legal entity and is accountable for its own activities.

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The District reports the following major governmental funds:

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

The *federal and state grants fund* accounts for the proceeds of specific revenue sources received from the federal and state governments for specific special revenue projects.

The *capital construction fund* accounts for the proceeds of specific revenue sources for minor or major capital projects that are restricted to expenditures for specified purposes as well as providing a depreciation account for the replacement of fixed assets.

The District reports the following nonmajor governmental funds:

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

The *debt service fund* accounts for the accumulation of resources for and the payment of general long-term debt, principal and interest.

The District reports the following nonmajor proprietary fund:

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

Additionally, the District reports the following fund types:

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

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

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

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Additionally, investments in long-term designations are considered to be cash equivalents due to the Board's ability to withdraw the investments at any time.

State statutes authorize the District to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds and notes and export-import bank notes and guaranteed participations.

Investments for the District are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net assets date.

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

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

Accounts and Grants Receivable

The District considers all accounts and grants receivable to be fully collectible at June 30, 2013 and, therefore no allowance for doubtful accounts is deemed necessary.

Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities. As of June 30, 2013, there were no interfund balances.

Property Taxes

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

The District is required by Wyoming Statutes to levy taxes of 25 mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. In addition, a countywide school property tax of six mills is levied. The combined tax rate to finance general school services other than the payment of principal and interest on long-term debt for the year ended June 30, 2013 was 32.75 mills, consisting of 25 mandatory state mills, 6 mills for County, 1 mill for Recreation, 0.5 mill for Park County No. 1 BOCES and .25 mills for Northwest Wyoming BOCES.

Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market. Governmental fund type inventories are recorded using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold.

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

Capital Assets

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

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

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

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

Capital Assets (Continued)

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

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

| Assets | Years |
|---------------------------|-------|
| Buildings | 50 |
| Building and improvements | 20 |
| Vehicles | 8-12 |
| Machinery and equipment | 5-25 |

Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Under certain circumstances, employees may receive compensation upon termination of employment for accumulated vacation, sick, and personal leave. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Use of Estimates

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

Fund Equity

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

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

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Equity (Continued)

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

Reclassification

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

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

During the year ended June 30, 2013, the District implemented two new accounting standards. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*. Those changes are reflected in this financial report.

Note 2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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

1. Prior to May 15, the Superintendent submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted on the third Wednesday in July to obtain public comments.
3. The budget is adopted by the third Thursday of July.
4. At the request of the Superintendent or upon its own motion after publication of notice, the Board of Trustees may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department or account to another. All appropriations, excluding appropriations for capital projects, lapse at the close of the budget year to the extent they are not expended or encumbered. The level of expenditure control for budget purposes is the department level.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a modified cash basis (NON-GAAP). Such basis is not consistent with generally accepted accounting principles (GAAP).
The District does not adopt a budget for the Debt Service Fund.
7. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration during the year. Encumbrances outstanding at year end are immaterial.

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds

Deposits and Investments

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

| Type | Fair Value | Interest Rate | Investment Maturity (in Years) | | | | Investment Rating |
|--|---------------|------------------|--------------------------------|---------------|------|-----------------|----------------------|
| | | | Less Than 1 | 1-5 | 6-10 | More Than 10 | |
| Investments Certificates of Deposit (term greater than 3 months) | \$ 11,880,000 | 1.00% | \$ - | \$ 11,880,000 | \$ - | \$ - | N/A |

Investments are in the following funds:

| | |
|------------------------------|----------------------|
| General fund | \$ 5,700,000 |
| Non-major governmental funds | 700,000 |
| Capital construction fund | 2,500,000 |
| Enterprise funds | 130,000 |
| Student activity fund | 100,000 |
| Private-purpose trust funds | 50,000 |
| Internal service fund | 2,700,000 |
| Total investments by fund | <u>\$ 11,880,000</u> |

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments are held in money market accounts, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the District attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses. At June 30, 2013, the District had no deposits or investments subject to interest rate risk.

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2013, the District had no deposits or investments subject to credit risk.

Concentration of credit risk

The District does not have a formal policy that allows for an investment in any one issuer that is in excess of a specified percentage of the District's total investments. At June 30, 2013, the District had no investment concentrations.

Custodial credit risk – deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a formal policy for custodial credit risk; however, State statutes require that the District's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2013, the District's deposits were fully collateralized as required by statutes.

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Custodial credit risk – investments

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

Capital Assets

A summary of changes in capital assets follows:

| | Beginning Balance July 1, 2012 | Additions | Disposals | Transfers | Ending Balance June 30, 2013 |
|--|--------------------------------------|----------------------|----------------------|----------------|------------------------------------|
| Governmental activities | | | | | |
| Capital assets, not being depreciated | | | | | |
| Land | \$ 1,498,465 | \$ - | \$ - | \$ (1,190,724) | \$ 307,741 |
| Construction in progress | 16,334,369 | 727,605 | 11,975,873 | - | 5,086,101 |
| Total capital assets, not being depreciated | 17,832,834 | 727,605 | 11,975,873 | (1,190,724) | 5,393,842 |
| Capital assets, being depreciated | | | | | |
| Buildings and improvements | 48,971,752 | 11,975,873 | 643,073 | 1,190,724 | 61,495,276 |
| Vehicles | 2,678,983 | 207,472 | 61,695 | 9,000 | 2,833,760 |
| Machinery and equipment | 3,228,798 | 96,591 | 120,162 | (9,000) | 3,196,227 |
| Total capital assets, being depreciated | 54,879,533 | 12,279,936 | 824,930 | 1,190,724 | 67,525,263 |
| Less accumulated depreciation | | | | | |
| Buildings and improvements | 7,895,870 | 1,457,603 | 400,827 | - | 8,952,646 |
| Vehicles | 1,833,998 | 188,498 | 61,695 | 4,200 | 1,965,001 |
| Machinery and equipment | 1,686,762 | 262,215 | 103,076 | (4,200) | 1,841,701 |
| Total accumulated depreciation | 11,416,630 | 1,908,316 | 565,598 | - | 12,759,348 |
| Total capital assets, being depreciated, net | 43,462,903 | 10,371,620 | 259,332 | 1,190,724 | 54,765,915 |
| Governmental activities capital assets, net | <u>\$ 61,295,737</u> | <u>\$ 11,099,225</u> | <u>\$ 12,235,205</u> | <u>\$ -</u> | <u>\$ 60,159,757</u> |
| Business-type activities | | | | | |
| Capital assets, being depreciated | | | | | |
| Machinery and equipment | \$ 240,538 | \$ 153,190 | \$ 14,165 | \$ - | \$ 379,563 |
| Less accumulated depreciation | 73,564 | 18,268 | 14,165 | - | 77,667 |
| Business-type activities capital assets, net | <u>\$ 166,974</u> | <u>\$ 134,922</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 301,896</u> |

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

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

Governmental activities

Instruction

| | | |
|------------------------|----|--------|
| Regular instruction | \$ | 27,225 |
| Student activities | | 6,309 |
| Vocational instruction | | 12,385 |

Support services

| | | |
|---|--|-----------|
| Instructional support | | 38,100 |
| General administration services | | 11,192 |
| Operation and maintenance of plant services | | 68,650 |
| Pupil transportation services | | 179,330 |
| Central services | | 151,027 |
| Facilities and construction | | 1,414,098 |

| | | |
|--|----|-----------|
| Total depreciation expense - governmental activities | \$ | 1,908,316 |
|--|----|-----------|

Business-type activities

| | | |
|-------------------|----|--------|
| Food service fund | \$ | 18,268 |
|-------------------|----|--------|

| | | |
|---|----|--------|
| Total depreciation expense - business-type activities | \$ | 18,268 |
|---|----|--------|

Remainder of page left blank intentionally

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Long-Term Debt

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

| | Balance July 1, 2012 | New Debt Incurred | Debt Retired | Balance June 30, 2013 | Due Within One Year |
|----------------------------|-------------------------|----------------------|-------------------|--------------------------|------------------------|
| Governmental Activities | | | | | |
| Compensated absences | \$ 380,331 | \$ - | \$ 11,112 | \$ 369,219 | \$ 18,461 |
| Lease purchase obligations | 382,973 | 203,868 | 586,841 | - | - |
| | <u>\$ 763,304</u> | <u>\$ 203,868</u> | <u>\$ 597,953</u> | <u>\$ 369,219</u> | <u>\$ 18,461</u> |
| Business-type Activities | | | | | |
| Compensated absences | <u>\$ 10,604</u> | <u>\$ -</u> | <u>\$ 35</u> | <u>\$ 10,569</u> | <u>\$ 528</u> |

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

| | |
|------------------------------|-------------------|
| Accrued compensated absences | <u>\$ 369,219</u> |
| | <u>\$ 369,219</u> |

Retirement Plan

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

Plan members are required to contribute 7.00% of their annual covered salary and the District is required to contribute 7.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The District currently pays 100% of the required employee's contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The District's contributions to the System for the years ending June 30, 2013, 2012 and 2011 were \$2,072,212, \$2,055,506 and \$1,936,715, respectively, which equaled 100% of the required contributions for each year.

In September 2013, there will be 0.50% increase to the retirement plan. The District will be reimbursed under State statute for .25% of the retirement and the other .25% will be passed to the employees.

Budget Amendments

The District did not have any budget amendments during the year.

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Operating Transfers

The following is a summary of operating transfers made during the year.

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|--|--------------------|---------------------|
| Primary Government | | |
| Governmental Funds | | |
| General Fund | \$ - | \$ 183,012 |
| Federal and State Grants Fund | 183,012 | - |
| Other capital asset transfers reported in governmental activities | - | 153,190 |
| Total governmental activities - governmental funds | <u>\$ 183,012</u> | <u>\$ 336,202</u> |
| Proprietary Funds - Business-type Activities | | |
| Other capital asset transfers reported in business-type activities | 153,190 | - |
| Total proprietary funds - business-type activities | <u>153,190</u> | <u>-</u> |
| | <u>\$ 336,202</u> | <u>\$ 336,202</u> |

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

Risk Management

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

The District pays into the State Worker's Compensations System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative cost.

The District is a member of the Wyoming School Boards Association Insurance Trust (WSBAIT), a public entity risk pool currently operating as a health and welfare risk management and insurance program for several school districts in Wyoming. The agreement with WSBAIT provides that health and welfare benefits will be provided by insurance purchased by WSBAIT. The District pays WSBAIT an annual premium, subject to annual adjustment, for these benefits. For the fiscal years ended June 30, 2013, 2012 and 2011, the District paid to WSBAIT \$2,785,141, \$2,806,302 and \$2,540,269, respectively. In the event the District elects to withdraw from WSBAIT, the District would be allowed to retain 75% of their contributed or assessed net pro rata reserves. The remaining net balance would be paid back to the District by WSBAIT at a rate of 25% per year over the next three years. As of June 30, 2013, the District was not assessed nor did they contribute any reserves to WSBAIT. Additionally, in the event of voluntary withdrawal from WSBAIT, any incurred but not paid claims incurred by the employees covered by the District would become the responsibility of the District. As of the date of this report, the District had no plans to withdraw from WSBAIT.

PARK COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

Note 3. Detailed Notes on All Funds (Continued)

Commitments

The District has capital construction projects, which will continue through the fiscal year 2014 school year. This includes the warranty period of Westside Elementary school, Phase 1 of the Middle School, demolition of the old Powell High school and subsequent repurposing of the support services area. Remaining is the design and construction of Phase II of the Middle School and the completion of the track/stadium complex at the Powell High school site. Major Maintenance projects are defined in the district facility plan and funds can only be expended on approved projects that meet criteria as set by statute.

The following is a cost summary of each project as of June 30, 2013:

| | Contract Amount | Cost to Date | Remaining Commitment |
|-------------------|---------------------|---------------------|-------------------------|
| New Middle School | \$ 6,120,743 | \$ 5,086,101 | \$ 1,034,642 |
| | <u>\$ 6,120,743</u> | <u>\$ 5,086,101</u> | <u>\$ 1,034,642</u> |

Note 4. Accounting Standards Issued, But Not Implemented

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

REQUIRED SUPPLEMENTARY INFORMATION

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS) GENERAL FUND Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--------------------------------|-------------------|-------------------|-------------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| Local revenues | | | | |
| Special district taxes | \$ 6,341,143 | \$ 6,341,143 | \$ 6,347,224 | \$ 6,081 |
| Motor vehicle taxes | 780,000 | 780,000 | 899,242 | 119,242 |
| Investment income | 62,000 | 62,000 | 80,786 | 18,786 |
| Car company taxes | 9,600 | 9,600 | 17,771 | 8,171 |
| Other local taxes | 20,000 | 20,000 | 16,451 | (3,549) |
| Other miscellaneous revenue | 2,500 | 2,500 | 9,584 | 7,084 |
| Total local revenue | <u>7,215,243</u> | <u>7,215,243</u> | <u>7,371,058</u> | <u>155,815</u> |
| County revenues | | | | |
| 6-mill county taxes | 2,262,671 | 2,262,671 | 2,245,787 | (16,884) |
| County motor vehicle taxes | 195,000 | 195,000 | 220,578 | 25,578 |
| Car company tax | 2,260 | 2,260 | 4,154 | 1,894 |
| Fines and forfeitures | 195,000 | 195,000 | 241,926 | 46,926 |
| Forest reserve revenue | 15,000 | 15,000 | 15,461 | 461 |
| Total county revenue | <u>2,669,931</u> | <u>2,669,931</u> | <u>2,727,906</u> | <u>57,975</u> |
| State revenues | | | | |
| Foundation program | 13,277,237 | 13,277,237 | 13,480,925 | 203,688 |
| Taylor grazing income | 7,000 | 7,000 | 6,523 | (477) |
| Total state revenues | <u>13,284,237</u> | <u>13,284,237</u> | <u>13,487,448</u> | <u>203,211</u> |
| Other sources of revenue | | | | |
| Sale of capital assets | 3,000 | 3,000 | 14,948 | 11,948 |
| Miscellaneous | - | - | 10 | 10 |
| Total other sources of revenue | <u>3,000</u> | <u>3,000</u> | <u>14,958</u> | <u>11,958</u> |
| Total revenues | <u>23,172,411</u> | <u>23,172,411</u> | <u>23,601,370</u> | <u>428,959</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS) GENERAL FUND (CONTINUED)

Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|------------------|------------------|------------------|---------------------|
| | Original | Final | Budgetary Basis | Final Budget |
| | | | | Positive (Negative) |
| Instruction | | | | |
| Instruction - general | | | | |
| Salaries | \$ 20,000 | \$ 20,000 | \$ - | \$ 20,000 |
| Employee benefits | 13,000 | 13,000 | - | 13,000 |
| Purchased services | 90,000 | 90,000 | (993) | 90,993 |
| Supplies and materials | 108,000 | 108,000 | - | 108,000 |
| | <u>231,000</u> | <u>231,000</u> | <u>(993)</u> | <u>231,993</u> |
| Elementary | | | | |
| Salaries | 3,602,365 | 3,602,365 | 3,622,815 | (20,450) |
| Employee benefits | 1,402,450 | 1,402,450 | 1,277,106 | 125,344 |
| Purchased services | 30,175 | 30,175 | 22,198 | 7,977 |
| Supplies and materials | 144,720 | 144,720 | 182,797 | (38,077) |
| Capital outlay | 16,400 | 16,400 | 5,958 | 10,442 |
| Other | 350 | 350 | - | 350 |
| | <u>5,196,460</u> | <u>5,196,460</u> | <u>5,110,874</u> | <u>85,586</u> |
| Elementary Risk, Remediation and Summer School | | | | |
| Salaries | 173,475 | 173,475 | 163,639 | 9,836 |
| Employee benefits | 53,225 | 53,225 | 41,606 | 11,619 |
| | <u>226,700</u> | <u>226,700</u> | <u>205,245</u> | <u>21,455</u> |
| Middle/Junior High School | | | | |
| Salaries | 1,459,425 | 1,459,425 | 1,461,962 | (2,537) |
| Employee benefits | 587,415 | 587,415 | 561,974 | 25,441 |
| Purchased services | 45,250 | 45,250 | 65,245 | (19,995) |
| Supplies and materials | 50,995 | 50,995 | 69,620 | (18,625) |
| Capital outlay | 42,000 | 42,000 | 16,295 | 25,705 |
| | <u>2,185,085</u> | <u>2,185,085</u> | <u>2,175,096</u> | <u>9,989</u> |
| Middle School Risk, Remediation and Summer School | | | | |
| Salaries | 20,000 | 20,000 | 9,052 | 10,948 |
| Employee benefits | 10,000 | 10,000 | 5,684 | 4,316 |
| | <u>30,000</u> | <u>30,000</u> | <u>14,736</u> | <u>15,264</u> |
| High School | | | | |
| Salaries | 1,465,320 | 1,465,320 | 1,412,093 | 53,227 |
| Employee benefits | 583,900 | 583,900 | 539,112 | 44,788 |
| Purchased services | 45,845 | 45,845 | 98,419 | (52,574) |
| Supplies and materials | 92,600 | 92,600 | 69,059 | 23,541 |
| Capital outlay | 66,000 | 66,000 | 37,363 | 28,637 |
| | <u>2,253,665</u> | <u>2,253,665</u> | <u>2,156,046</u> | <u>97,619</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS) GENERAL FUND (CONTINUED) Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-----------------------------------|--|
| | Original | Final | | |
| Instruction (Continued) | | | | |
| High School Risk, Remediation and Summer School | | | | |
| Salaries | \$ 35,000 | \$ 35,000 | \$ 36,440 | \$ (1,440) |
| Employee benefits | 15,000 | 15,000 | 15,105 | (105) |
| | <u>50,000</u> | <u>50,000</u> | <u>51,545</u> | <u>(1,545)</u> |
| Shoshone Learning Center | | | | |
| Salaries | 82,850 | 82,850 | 82,614 | 236 |
| Employee benefits | 37,010 | 37,010 | 36,066 | 944 |
| Purchased services | 46,000 | 46,000 | 28,567 | 17,433 |
| Supplies and materials | 4,200 | 4,200 | 9,282 | (5,082) |
| Capital outlay | 2,000 | 2,000 | 810 | 1,190 |
| Other | 650 | 650 | 395 | 255 |
| | <u>172,710</u> | <u>172,710</u> | <u>157,734</u> | <u>14,976</u> |
| Concurrent Courses | | | | |
| Purchased services | 5,000 | 5,000 | 90 | 4,910 |
| Supplies and materials | - | - | 16,367 | (16,367) |
| | <u>5,000</u> | <u>5,000</u> | <u>16,457</u> | <u>(11,457)</u> |
| Dual Enrollment | | | | |
| Purchased services | 5,000 | 5,000 | 3,984 | 1,016 |
| Supplies and materials | - | - | 1,221 | (1,221) |
| | <u>5,000</u> | <u>5,000</u> | <u>5,205</u> | <u>(205)</u> |
| Special Instruction, Programs for Students with Disabilities | | | | |
| Salaries | 1,669,115 | 1,669,115 | 1,695,752 | (26,637) |
| Employee benefits | 765,620 | 765,620 | 722,804 | 42,816 |
| Purchased services | 177,660 | 177,660 | 134,058 | 43,602 |
| Supplies and materials | 12,725 | 12,725 | 23,203 | (10,478) |
| Capital outlay | 2,500 | 2,500 | - | 2,500 |
| | <u>2,627,620</u> | <u>2,627,620</u> | <u>2,575,817</u> | <u>51,803</u> |
| Gifted and Talented | | | | |
| Salaries | 37,790 | 37,790 | - | 37,790 |
| Employee benefits | 11,505 | 11,505 | 133 | 11,372 |
| | <u>49,295</u> | <u>49,295</u> | <u>133</u> | <u>49,162</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET (NON-GAAP BASIS)
GENERAL FUND (CONTINUED)
Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--------------------------|------------------|----------------|-----------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| Instruction (Continued) | | | | |
| Limited English | | | | |
| Salaries | \$ 43,000 | \$ 43,000 | \$ 58,639 | \$ (15,639) |
| Employee benefits | 3,290 | 3,290 | 4,482 | (1,192) |
| Purchased services | 3,000 | 3,000 | 708 | 2,292 |
| Supplies and materials | 3,000 | 3,000 | - | 3,000 |
| | <u>52,290</u> | <u>52,290</u> | <u>63,829</u> | <u>(11,539)</u> |
| Homebound | | | | |
| Salaries | 2,000 | 2,000 | 275 | 1,725 |
| Employee benefits | 200 | 200 | 21 | 179 |
| Purchased services | 1,000 | 1,000 | 240 | 760 |
| | <u>3,200</u> | <u>3,200</u> | <u>536</u> | <u>2,664</u> |
| Other Special Programs | | | | |
| Salaries | 74,950 | 74,950 | 47,960 | 26,990 |
| Employee benefits | 30,385 | 30,385 | 21,399 | 8,986 |
| Purchased services | 18,000 | 18,000 | 15,751 | 2,249 |
| Supplies and materials | 20,000 | 20,000 | 31,754 | (11,754) |
| | <u>143,335</u> | <u>143,335</u> | <u>116,864</u> | <u>26,471</u> |
| Elementary Activities | | | | |
| Salaries | 1,500 | 1,500 | 1,500 | - |
| Employee benefits | 330 | 330 | 256 | 74 |
| | <u>1,830</u> | <u>1,830</u> | <u>1,756</u> | <u>74</u> |
| Middle School Activities | | | | |
| Salaries | 152,535 | 152,535 | 131,865 | 20,670 |
| Employee benefits | 33,210 | 33,210 | 28,461 | 4,749 |
| Purchased services | 12,500 | 12,500 | 20,774 | (8,274) |
| Supplies and materials | 4,650 | 4,650 | 6,129 | (1,479) |
| Other | 200 | 200 | - | 200 |
| | <u>203,095</u> | <u>203,095</u> | <u>187,229</u> | <u>15,866</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET (NON-GAAP BASIS)**

GENERAL FUND (CONTINUED)

Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|-----------------------------------|--|
| | Original | Final | | |
| High School Activities | | | | |
| Salaries | \$ 388,760 | \$ 388,760 | \$ 376,174 | \$ 12,586 |
| Employee benefits | 97,150 | 97,150 | 85,589 | 11,561 |
| Purchased services | 127,520 | 127,520 | 198,195 | (70,675) |
| Supplies and materials | 23,180 | 23,180 | 30,177 | (6,997) |
| Capital outlay | 400 | 400 | - | 400 |
| Other | 5,000 | 5,000 | 5,891 | (891) |
| | <u>642,010</u> | <u>642,010</u> | <u>696,026</u> | <u>(54,016)</u> |
| High School Vocational Instruction | | | | |
| Salaries | 300,180 | 300,180 | 299,704 | 476 |
| Benefits | 144,775 | 144,775 | 139,520 | 5,255 |
| Purchased services | 5,890 | 5,890 | 765 | 5,125 |
| Supplies and materials | 31,340 | 31,340 | 33,475 | (2,135) |
| Capital outlay | - | - | 28,528 | - |
| | <u>482,185</u> | <u>482,185</u> | <u>501,992</u> | <u>8,721</u> |
| Total Instruction | <u>14,560,480</u> | <u>14,560,480</u> | <u>14,036,127</u> | <u>552,881</u> |
| Instructional Support | | | | |
| Guidance Services | | | | |
| Salaries | 316,865 | 316,865 | 311,291 | 5,574 |
| Employee benefits | 132,495 | 132,495 | 121,806 | 10,689 |
| Purchased services | 3,890 | 3,890 | 2,844 | 1,046 |
| Supplies and materials | 1,750 | 1,750 | 2,049 | (299) |
| | <u>455,000</u> | <u>455,000</u> | <u>437,990</u> | <u>17,010</u> |
| Social Work Services | | | | |
| Salaries | 73,850 | 73,850 | 73,550 | 300 |
| Employee benefits | 30,150 | 30,150 | 29,558 | 592 |
| Purchased services | 450 | 450 | 202 | 248 |
| Supplies and materials | 900 | 900 | 30 | 870 |
| | <u>105,350</u> | <u>105,350</u> | <u>103,340</u> | <u>2,010</u> |
| Student Information Services | | | | |
| Supplies and materials | 30,000 | 30,000 | 38,265 | (8,265) |
| | <u>30,000</u> | <u>30,000</u> | <u>38,265</u> | <u>(8,265)</u> |
| Health Services | | | | |
| Salaries | 122,750 | 122,750 | 122,400 | 350 |
| Employee benefits | 60,300 | 60,300 | 58,469 | 1,831 |
| Purchased services | 565 | 565 | 867 | (302) |
| Supplies and materials | 4,835 | 4,835 | 4,260 | 575 |
| Capital outlay | - | - | 2,604 | (2,604) |
| Other | - | - | 270 | (270) |
| | <u>188,450</u> | <u>188,450</u> | <u>188,870</u> | <u>(420)</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET (NON-GAAP BASIS)
GENERAL FUND (CONTINUED)
Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|-----------------------------------|------------------|----------------|-----------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| Instructional Support (Continued) | | | | |
| Psychological Services | | | | |
| Salaries | \$ 219,640 | \$ 219,640 | \$ 193,599 | \$ 26,041 |
| Employee benefits | 89,085 | 89,085 | 67,008 | 22,077 |
| Purchased services | 500 | 500 | 444 | 56 |
| Supplies and materials | 4,150 | 4,150 | 5,379 | (1,229) |
| Other | 500 | 500 | - | 500 |
| | <u>313,875</u> | <u>313,875</u> | <u>266,430</u> | <u>47,445</u> |
| Speech Pathology and Audiology | | | | |
| Services | | | | |
| Salaries | 205,250 | 205,250 | 198,590 | 6,660 |
| Employee benefits | 68,805 | 68,805 | 63,508 | 5,297 |
| Purchased services | 3,200 | 3,200 | 2,602 | 598 |
| Supplies and materials | 3,100 | 3,100 | 4,927 | (1,827) |
| | <u>280,355</u> | <u>280,355</u> | <u>269,627</u> | <u>10,728</u> |
| Occupational Therapy | | | | |
| Salaries | 51,900 | 51,900 | 51,500 | 400 |
| Employee benefits | 19,370 | 19,370 | 18,888 | 482 |
| Purchased services | 400 | 400 | 882 | (482) |
| Supplies and materials | 900 | 900 | 995 | (95) |
| | <u>72,570</u> | <u>72,570</u> | <u>72,265</u> | <u>305</u> |
| Physical Therapy | | | | |
| Purchased services | 34,000 | 34,000 | 32,400 | 1,600 |
| | <u>34,000</u> | <u>34,000</u> | <u>32,400</u> | <u>1,600</u> |
| Supervision of Improvement of | | | | |
| Instruction Services | | | | |
| Salaries | 152,560 | 152,560 | 132,063 | 20,497 |
| Employee benefits | 47,220 | 47,220 | 41,513 | 5,707 |
| Purchased services | 34,290 | 34,290 | 25,276 | 9,014 |
| Supplies and materials | 4,250 | 4,250 | 5,168 | (918) |
| Capital outlay | 3,500 | 3,500 | - | 3,500 |
| Other | 400 | 400 | 80 | 320 |
| | <u>242,220</u> | <u>242,220</u> | <u>204,100</u> | <u>38,120</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS) GENERAL FUND (CONTINUED) Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget Positive (Negative) |
|---|------------------|------------------|-----------------------------------|--|
| | Original | Final | | |
| Instructional Support (Continued) | | | | |
| Staff Development Services | | | | |
| Salaries | \$ 15,000 | \$ 15,000 | \$ - | \$ 15,000 |
| Purchased services | 69,500 | 69,500 | 35,890 | 33,610 |
| Supplies and materials | 3,000 | 3,000 | 12,347 | (9,347) |
| Other | - | - | 2,500 | (2,500) |
| | <u>87,500</u> | <u>87,500</u> | <u>50,737</u> | <u>36,763</u> |
| School Library Services | | | | |
| Salaries | 273,290 | 273,290 | 276,950 | (3,660) |
| Employee benefits | 136,950 | 136,950 | 118,977 | 17,973 |
| Purchased services | 2,700 | 2,700 | 185 | 2,515 |
| Supplies and materials | 55,930 | 55,930 | 37,462 | 18,468 |
| Capital outlay | 4,760 | 4,760 | - | 4,760 |
| | <u>473,630</u> | <u>473,630</u> | <u>433,574</u> | <u>40,056</u> |
| Supervision of Special Education Services | | | | |
| Salaries | 74,875 | 74,875 | 103,508 | (28,633) |
| Employee benefits | 33,340 | 33,340 | 40,391 | (7,051) |
| Purchased services | - | - | (55) | 55 |
| Supplies and materials | 4,750 | 4,750 | 2,692 | 2,058 |
| Capital outlay | 2,800 | 2,800 | - | 2,800 |
| Other | 1,000 | 1,000 | - | 1,000 |
| | <u>116,765</u> | <u>116,765</u> | <u>146,536</u> | <u>(29,771)</u> |
| Total Instructional Support | <u>2,399,715</u> | <u>2,399,715</u> | <u>2,244,134</u> | <u>155,581</u> |
| Genral Support | | | | |
| Central Administration - Office of the Superintendent Services | | | | |
| Salaries | 245,075 | 245,075 | 234,217 | 10,858 |
| Employee benefits | 93,465 | 93,465 | 82,651 | 10,814 |
| Purchased services | 14,550 | 14,550 | 15,719 | (1,169) |
| Supplies and materials | 7,500 | 7,500 | 2,448 | 5,052 |
| Capital outlay | 3,000 | 3,000 | 2,130 | 870 |
| Other | 5,000 | 5,000 | 2,121 | 2,879 |
| | <u>368,590</u> | <u>368,590</u> | <u>339,286</u> | <u>29,304</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS) GENERAL FUND (CONTINUED) Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|------------------|------------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| General Support (Continued) | | | | |
| School Administration - Community Relations Services | | | | |
| Salaries | \$ 30,900 | \$ 30,900 | \$ 27,458 | \$ 3,442 |
| Employee benefits | 32,850 | 32,850 | 17,249 | 15,601 |
| Purchased services | 14,000 | 14,000 | 6,050 | 7,950 |
| Supplies and materials | 6,000 | 6,000 | 369 | 5,631 |
| | <u>83,750</u> | <u>83,750</u> | <u>51,126</u> | <u>32,624</u> |
| School Administration Office of the Principal | | | | |
| Services - Elementaries | | | | |
| Salaries | 1,057,035 | 1,057,035 | 1,012,208 | 44,827 |
| Employee benefits | 476,940 | 476,940 | 434,666 | 42,274 |
| Purchased services | 24,230 | 24,230 | 12,749 | 11,481 |
| Supplies and materials | 23,345 | 23,345 | 14,169 | 9,176 |
| Capital outlay | 7,000 | 7,000 | - | 7,000 |
| Other | 4,600 | 4,600 | 3,052 | 1,548 |
| | <u>1,593,150</u> | <u>1,593,150</u> | <u>1,476,844</u> | <u>116,306</u> |
| Business Administration - Fiscal Services | | | | |
| Salaries | 246,790 | 246,790 | 246,790 | - |
| Employee benefits | 93,000 | 93,000 | 86,732 | 6,268 |
| Purchased services | 12,000 | 12,000 | 8,653 | 3,347 |
| Supplies and maintenance | 12,450 | 12,450 | 8,220 | 4,230 |
| Capital outlay | 4,050 | 4,050 | 2,725 | 1,325 |
| Other | 600 | 600 | 580 | 20 |
| | <u>368,890</u> | <u>368,890</u> | <u>353,700</u> | <u>15,190</u> |
| Printing, Publishing and Duplicating Services | | | | |
| Salaries | 41,345 | 41,345 | 41,084 | 261 |
| Employee benefits | 18,900 | 18,900 | 18,504 | 396 |
| Purchased services | 11,000 | 11,000 | 12,335 | (1,335) |
| Supplies and maintenance | 13,000 | 13,000 | 7,727 | 5,273 |
| | <u>84,245</u> | <u>84,245</u> | <u>79,650</u> | <u>4,595</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS) GENERAL FUND (CONTINUED) Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|------------------|------------------|---------------------|
| | Original | Final | Budgetary Basis | Final Budget |
| | | | | Positive (Negative) |
| General Support (Continued) | | | | |
| Board of Education Services | | | | |
| Purchased services | \$ 120,600 | \$ 120,600 | \$ 92,034 | \$ 28,566 |
| Supplies and materials | 8,750 | 8,750 | 10,016 | (1,266) |
| Other | 13,000 | 13,000 | 14,076 | (1,076) |
| | <u>142,350</u> | <u>142,350</u> | <u>116,126</u> | <u>26,224</u> |
| Operation and Maintenance of Plant Services | | | | |
| Supervision of Operation & Maintenance of Plant Services | | | | |
| Salaries | 97,470 | 97,470 | 97,470 | - |
| Employee benefits | 36,020 | 36,020 | 39,568 | (3,548) |
| Purchased services | 5,000 | 5,000 | 5,206 | (206) |
| Supplies and maintenance | 6,400 | 6,400 | 4,278 | 2,122 |
| Capital outlay | 2,700 | 2,700 | - | 2,700 |
| Other | - | - | 300 | (300) |
| | <u>147,590</u> | <u>147,590</u> | <u>146,822</u> | <u>768</u> |
| Operating Building Services | | | | |
| Salaries | 699,710 | 699,710 | 656,901 | 42,809 |
| Benefits | 331,045 | 331,045 | 287,044 | 44,001 |
| Purchased services | 217,995 | 217,995 | 138,224 | 79,771 |
| Supplies and maintenance | 670,395 | 670,395 | 683,340 | (12,945) |
| Capital outlay | 21,850 | 21,850 | 18,920 | 2,930 |
| Transfers | 28,500 | 28,500 | - | 28,500 |
| | <u>1,969,495</u> | <u>1,969,495</u> | <u>1,784,429</u> | <u>185,066</u> |
| Care and Upkeep of Grounds Services | | | | |
| Salaries | 69,030 | 69,030 | 61,639 | 7,391 |
| Employee benefits | 18,340 | 18,340 | 19,389 | (1,049) |
| Purchased services | 16,585 | 16,585 | 26,050 | (9,465) |
| Supplies and maintenance | 31,830 | 31,830 | 15,060 | 16,770 |
| Capital outlay | - | - | 30,040 | (30,040) |
| | <u>135,785</u> | <u>135,785</u> | <u>152,178</u> | <u>(16,393)</u> |
| Care and Upkeep of Equipment Services | | | | |
| Salaries | 97,865 | 97,865 | 88,128 | 9,737 |
| Employee benefits | 38,185 | 38,185 | 35,917 | 2,268 |
| Purchased services | 70,000 | 70,000 | 36,625 | 33,375 |
| Supplies and materials | 48,600 | 48,600 | 47,794 | 806 |
| Capital outlay | - | - | 1,045 | (1,045) |
| | <u>254,650</u> | <u>254,650</u> | <u>209,509</u> | <u>45,141</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET (NON-GAAP BASIS)

GENERAL FUND (CONTINUED)

Year Ended June 30, 2013

| | Budgeted | Amounts | Actual Amounts | Variance with |
|---|------------------|------------------|------------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| General Support (Continued) | | | | |
| Security Services | | | | |
| Salaries | \$ 17,280 | \$ 17,280 | \$ 3,483 | \$ 13,797 |
| Employee benefits | 9,690 | 9,690 | 421 | 9,269 |
| Purchased services | 31,290 | 31,290 | 25,482 | 5,808 |
| Supplies and materials | 6,000 | 6,000 | 2,118 | 3,882 |
| | <u>64,260</u> | <u>64,260</u> | <u>31,504</u> | <u>32,756</u> |
| Vehicle Operations - Other | | | | |
| Purchased services | 6,500 | 6,500 | 4,567 | 1,933 |
| Supplies and materials | 6,000 | 6,000 | 6,142 | (142) |
| Capital outlay | 7,000 | 7,000 | - | 7,000 |
| | <u>19,500</u> | <u>19,500</u> | <u>10,709</u> | <u>8,791</u> |
| Other Operation and Maintenance of Plant Services | | | | |
| Purchased services | 5,000 | 5,000 | - | 5,000 |
| Supplies and materials | 1,000 | 1,000 | - | 1,000 |
| Other | - | - | 100 | (100) |
| | <u>6,000</u> | <u>6,000</u> | <u>100</u> | <u>5,900</u> |
| Transportation Services - Vehicle Operation - To and From School | | | | |
| Salaries | 464,000 | 464,000 | 431,075 | 32,925 |
| Employee benefits | 250,000 | 250,000 | 221,318 | 28,682 |
| Purchased services | 53,375 | 53,375 | 47,617 | 5,758 |
| Supplies and materials | 203,465 | 203,465 | 169,380 | 34,085 |
| Capital outlay | 153,000 | 153,000 | 607,483 | (454,483) |
| Other | 250 | 250 | 470 | (220) |
| | <u>1,124,090</u> | <u>1,124,090</u> | <u>1,477,343</u> | <u>(353,253)</u> |
| Vehicle Operations - Activities | | | | |
| Salaries | 100,000 | 100,000 | 92,254 | 7,746 |
| Employee benefits | 55,000 | 55,000 | 36,150 | 18,850 |
| Purchased services | 25,340 | 25,340 | 25,006 | 334 |
| Supplies and materials | 62,000 | 62,000 | 57,848 | 4,152 |
| Capital outlay | 68,000 | 68,000 | - | 68,000 |
| | <u>310,340</u> | <u>310,340</u> | <u>211,258</u> | <u>99,082</u> |
| Other Transportation | | | | |
| Salaries | - | - | (13) | 13 |
| Employee benefits | - | - | 2 | (2) |
| Purchased services | 5,800 | 5,800 | 5,694 | 106 |
| Supplies and materials | 5,110 | 5,110 | 4,726 | 384 |
| Capital outlay | 30,000 | 30,000 | 2,604 | 27,396 |
| | <u>40,910</u> | <u>40,910</u> | <u>13,013</u> | <u>27,897</u> |

(Continued)

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET (NON-GAAP BASIS)
GENERAL FUND (CONTINUED)
Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|---------------------|---------------------|---------------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| General Support (Continued) | | | | |
| Warehouse | | | | |
| Salaries | \$ 30,165 | \$ 30,165 | \$ 27,775 | \$ 2,390 |
| Employee benefits | 22,980 | 22,980 | 18,099 | 4,881 |
| Purchased services | - | - | 8,582 | (8,582) |
| Supplies and materials | - | - | 3,339 | (3,339) |
| | <u>53,145</u> | <u>53,145</u> | <u>57,795</u> | <u>(4,650)</u> |
| Central Technology Coordination | | | | |
| Salaries | 365,130 | 365,130 | 299,354 | 65,776 |
| Benefits | 152,345 | 152,345 | 116,626 | 35,719 |
| Purchased services | 49,800 | 49,800 | 54,373 | (4,573) |
| Supplies and materials | 120,200 | 120,200 | 192,799 | (72,599) |
| Capital outlay | 59,700 | 59,700 | 51,986 | 7,714 |
| Other | 500 | 500 | - | 500 |
| Transfers | 25,000 | 25,000 | - | 25,000 |
| | <u>772,675</u> | <u>772,675</u> | <u>715,138</u> | <u>57,537</u> |
| Total General Support | <u>7,539,415</u> | <u>7,539,415</u> | <u>7,226,530</u> | <u>312,885</u> |
| Total expenditures | <u>24,499,610</u> | <u>24,499,610</u> | <u>23,506,791</u> | <u>1,021,347</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,327,199)</u> | <u>(1,327,199)</u> | <u>94,579</u> | <u>1,450,306</u> |
| Other financing (uses) | | | | |
| Transfer out | <u>(230,000)</u> | <u>(230,000)</u> | <u>(183,012)</u> | <u>46,988</u> |
| Total other financing (uses) | <u>(230,000)</u> | <u>(230,000)</u> | <u>(183,012)</u> | <u>46,988</u> |
| Net change in fund balance | <u>(1,557,199)</u> | <u>(1,557,199)</u> | <u>(88,433)</u> | <u>1,497,294</u> |
| Fund balance - beginning of year | <u>5,720,481</u> | <u>5,720,481</u> | <u>5,720,481</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 4,163,282</u> | <u>\$ 4,163,282</u> | <u>\$ 5,632,048</u> | <u>\$ 1,497,294</u> |

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 COMPARED TO BUDGET (NON-GAAP BASIS)
 FEDERAL AND STATE GRANTS FUND
 Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|--------------|-----------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| Revenues | | | | |
| Local sources | \$ 10,000 | \$ 10,000 | \$ - | \$ (10,000) |
| State sources | 700,000 | 700,000 | 771,735 | 71,735 |
| Federal sources | 2,800,000 | 2,800,000 | 1,620,668 | (1,179,332) |
| Miscellaneous | 210,000 | 210,000 | - | (210,000) |
| Total revenues | 3,720,000 | 3,720,000 | 2,392,403 | (1,327,597) |
| Expenditures | | | | |
| Instructional | 2,460,000 | 2,460,000 | 1,579,856 | 880,144 |
| Instructional support | 1,200,000 | 1,200,000 | 853,914 | 346,086 |
| General support | 50,000 | 50,000 | 30,905 | 19,095 |
| Community support | 10,000 | 10,000 | - | 10,000 |
| Total expenditures | 3,720,000 | 3,720,000 | 2,464,675 | 1,255,325 |
| Excess (deficiency) of revenues over expenditures | - | - | (72,272) | (72,272) |
| Other financing sources | | | | |
| Transfer in | - | - | 183,012 | 183,012 |
| Total other financing sources | - | - | 183,012 | 183,012 |
| Net change in fund balance | - | - | 110,740 | 110,740 |
| Fund balance - beginning of year | (530,980) | (530,980) | (530,980) | - |
| Fund balance - end of year | \$ (530,980) | \$ (530,980) | \$ (420,240) | \$ 110,740 |

See accompanying note to required supplementary information

PARK COUNTY SCHOOL DISTRICT #1

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

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

| | <u>General Fund</u> | <u>Federal and State Grants Fund</u> |
|--|-------------------------|--|
| Revenues | | |
| Actual amounts (budgetary basis) from the Budgetary Comparison Schedule | \$ 23,601,370 | \$ 2,392,403 |
| Differences - Budget Basis to GAAP | | |
| Grants receivable | - | (107,289) |
| Unearned revenue | - | (30,430) |
| Deferred property tax revenue | 18,389 | - |
| Accrual of property tax receivable | <u>(45,364)</u> | <u>-</u> |
| Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds | <u>\$ 23,574,395</u> | <u>\$ 2,254,684</u> |
| Expenditures | | |
| Actual amounts (budgetary basis) from the Budgetary Comparison Schedule | \$ 23,506,791 | \$ 2,464,675 |
| Differences-Budget Basis to GAAP | | |
| Accounts payable | (17,102) | (43,136) |
| Accrued wages payable | <u>13,222</u> | <u>16,157</u> |
| Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 23,502,911</u> | <u>\$ 2,437,696</u> |

OTHER SUPPLEMENTARY INFORMATION

PARK COUNTY SCHOOL DISTRICT #1

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS**

June 30, 2013

| | Major Maintenance Fund | Debt Service Fund | Total Non-major Governmental Funds |
|--------------------------------------|------------------------------|-------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 22,619 | \$ - | \$ 22,619 |
| Cash held by County Treasurer | - | 16,958 | 16,958 |
| Investments | 700,000 | - | 700,000 |
| | | | |
| Total assets | <u>\$ 722,619</u> | <u>\$ 16,958</u> | <u>\$ 739,577</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | \$ 6,064 | \$ - | \$ 6,064 |
| Total liabilities | <u>6,064</u> | <u>-</u> | <u>6,064</u> |
| | | | |
| Fund balances | | | |
| Restricted, reported in | | | |
| Major maintenance fund | 716,555 | - | 716,555 |
| Debt service fund | - | 16,958 | 16,958 |
| | | | |
| Total fund balances | <u>716,555</u> | <u>16,958</u> | <u>733,513</u> |
| | | | |
| Total liabilities and fund balances | <u>\$ 722,619</u> | <u>\$ 16,958</u> | <u>\$ 739,577</u> |

PARK COUNTY SCHOOL DISTRICT #1

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON- MAJOR GOVERNMENTAL FUNDS**

Year Ended June 30, 2013

| | Major Maintenance Fund | Debt Service Fund | Total Non-major Governmental Funds |
|---|------------------------------|-------------------------|---|
| Revenues | | | |
| Taxes | \$ - | \$ (648) | \$ (648) |
| Intergovernmental revenues | 741,310 | - | 741,310 |
| Investment income | 10,800 | - | 10,800 |
| Total revenues | <u>752,110</u> | <u>(648)</u> | <u>751,462</u> |
| Expenditures | | | |
| Support services | | | |
| Operation and maintenance of plant services | <u>706,149</u> | <u>-</u> | <u>706,149</u> |
| Total expenditures | <u>706,149</u> | <u>-</u> | <u>706,149</u> |
| Net change in fund balances | 45,961 | (648) | 45,313 |
| Fund balances - beginning of year | <u>670,594</u> | <u>17,606</u> | <u>688,200</u> |
| Fund balances - end of year | <u>\$ 716,555</u> | <u>\$ 16,958</u> | <u>\$ 733,513</u> |

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 COMPARED TO BUDGET (NON-GAAP BASIS)
 MAJOR MAINTENANCE FUND
 Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|-----------------------------------|-------------------------|-------------------------|--------------------------|-------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget Positive (Negative) |
| Revenues | | | | |
| Intergovernmental revenue | \$ 741,310 | \$ 741,310 | \$ 741,310 | \$ - |
| Investment income | 6,000 | 6,000 | 10,800 | 4,800 |
| Total revenues | <u>747,310</u> | <u>747,310</u> | <u>752,110</u> | <u>4,800</u> |
| Expenditures | | | | |
| General support-major maintenance | <u>1,400,000</u> | <u>1,400,000</u> | <u>744,310</u> | <u>655,690</u> |
| Total expenditures | <u>1,400,000</u> | <u>1,400,000</u> | <u>744,310</u> | <u>655,690</u> |
| Net change in fund balance | (652,690) | (652,690) | 7,800 | 660,490 |
| Fund balance - beginning of year | <u>714,820</u> | <u>714,820</u> | <u>714,820</u> | <u>-</u> |
| Fund balance - end of year | <u><u>\$ 62,130</u></u> | <u><u>\$ 62,130</u></u> | <u><u>\$ 722,620</u></u> | <u><u>\$ 660,490</u></u> |

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 COMPARED TO BUDGET (NON-GAAP BASIS)
 CAPITAL CONSTRUCTION FUND
 Year Ended June 30, 2013

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | Budgetary | Final Budget |
| | | | Basis | Positive (Negative) |
| Revenues | | | | |
| Intergovernmental revenues | \$ 4,520,000 | \$ 4,520,000 | \$ 731,687 | \$ (3,788,313) |
| Investment income | 22,900 | 22,900 | 30,169 | 7,269 |
| Total revenues | <u>4,542,900</u> | <u>4,542,900</u> | <u>761,856</u> | <u>(3,781,044)</u> |
| Expenditures | | | | |
| Salaries | 365,000 | 25,000 | - | 25,000 |
| Purchased services | 50,000 | 50,000 | 846 | 49,154 |
| Material and supplies | 25,000 | 25,000 | 10,798 | 14,202 |
| Capital outlay | 4,621,000 | 4,621,000 | 810,567 | 3,810,433 |
| Total expenditures | <u>5,061,000</u> | <u>4,721,000</u> | <u>822,211</u> | <u>3,898,789</u> |
| Excess (deficiency) of revenues over expenditures | <u>(518,100)</u> | <u>(178,100)</u> | <u>(60,355)</u> | <u>117,745</u> |
| Other financing sources | | | | |
| Gain (loss) on sale of assets | <u>-</u> | <u>-</u> | <u>201,048</u> | <u>201,048</u> |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>201,048</u> | <u>201,048</u> |
| Net change in fund balance | (518,100) | (178,100) | 140,693 | 318,793 |
| Fund balance - beginning of year | <u>2,891,925</u> | <u>2,891,925</u> | <u>2,891,925</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 2,373,825</u> | <u>\$ 2,713,825</u> | <u>\$ 3,032,618</u> | <u>\$ 318,793</u> |

FEDERAL AND STATE FINANCIAL ASSISTANCE REPORTS

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2013

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Pass Through Grantors Number</u> | <u>Expenditures</u> |
|---|------------------------------------|---|---------------------|
| <i>U.S. Department of Agriculture</i> | | | |
| Passed Through the State of Wyoming Department of Education | | | |
| <i>Child Nutrition Cluster</i> | | | |
| School Breakfast Program | 10.553 | None | \$ 50,429 |
| National School Lunch Program | 10.555 | None | 276,441 |
| National School Lunch Program - USDA Commodities | 10.555 | None | 40,666 |
| Total Child Nutrition Cluster | | | <u>367,536</u> |
| Fresh Fruit and Vegetable Program | 10.582 | None | <u>39,550</u> |
| Total U.S. Department of Agriculture | | | <u>407,086</u> |
| <i>U.S. Department of Transportation</i> | | | |
| Passed Through the Wyoming Department of Transportation | | | |
| <i>Highway Planning and Construction Cluster</i> | | | |
| Highway Planning and Construction | 20.205 | None | <u>29,610</u> |
| Total Highway Planning and Construction Cluster | | | <u>29,610</u> |
| Total U.S. Department of Transportation | | | <u>29,610</u> |
| <i>U. S. Department of Education</i> | | | |
| Passed Through the State of Wyoming Department of Education | | | |
| <i>Title I, Part A Cluster</i> | | | |
| Title I Grants to Local Educational Agencies | 84.010A | 1215012T1A00 | 174,719 |
| Title I Grants to Local Educational Agencies | 84.010A | 111501T1A00 | 1,869 |
| Title I Grants to Local Educational Agencies | 84.010A | 131501T1A00 | 398,604 |
| Title I Grants to Local Educational Agencies | 84.010A | 101501T1A00 | 11 |
| Title I Grants to Local Educational Agencies | 84.010A | 1215012T1D00 | 5,567 |
| Title I Grants to Local Educational Agencies | 84.010A | 101501ND200 | 32 |
| Title I Grants to Local Educational Agencies | 84.010A | 1315013T1D00 | 133,548 |
| Total Title I, Part A Cluster | | | <u>714,350</u> |
| <i>Special Education Cluster (IDEA)</i> | | | |
| Special Education Grants to States - IDEA Part B | 84.027A | 1215012T6100 | 37,284 |
| Special Education Grants to States - IDEA Part B | 84.027A | 1315013T6100 | 395,752 |
| Special Education - Preschool Grants IDEA Part B | 84.173A | 1215012T6900 | (31) |
| Special Education - Preschool Grants IDEA Part B | 84.173A | 1315013T6900 | 2,895 |
| Total Special Education Cluster (IDEA) | | | <u>435,900</u> |
| | | | (Continued) |

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended June 30, 2013

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Pass Through Grantors Number | Expenditures |
|---|---------------------------|------------------------------------|----------------------------|
| <i>U.S. Department of Education (continued)</i> | | | |
| Passed Through the State of Wyoming Department of Education (Continued) | | | |
| Career and Technical Education Basic Grants to States | 84.048 | 1315013VEA00 | \$ 38,919 |
| Career and Technical Education Basic Grants to States | 84.048 | 1215012VEA00 | <u>1,724</u> |
| Total Career and Technical Education Basic Grants to States | | | <u>40,643</u> |
| Improving Teacher Quality State Grants - Title II-A | 84.367A | 1315013T2A00 | 150,750 |
| Improving Teacher Quality State Grants - Title II-A | 84.367A | 1215012T2A00 | <u>132,567</u> |
| Total Improving Teacher Quality - Title II-A | | | <u>283,317</u> |
| Total U.S. Department of Education | | | <u>1,503,820</u> |
| Total Federal Financial Assistance | | | <u><u>\$ 1,910,906</u></u> |

Notes:

Prepared on the cash basis of accounting.

The USDA value from the Commodity Food Distribution Program of non-cash awards was \$40,666.



PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Park County School District #1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Park County School District #1's basic financial statements, and have issued our report thereon dated November 25, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Park County School District #1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Park County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Park County School District #1's internal control.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

November 25, 2013
Casper, Wyoming



PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Park County School District #1's compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Park County School District #1's major federal programs for the year ended June 30, 2013. Park County School District #1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Park County School District #1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Park County School District #1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Park County School District #1's compliance.

Opinion on Each Major Federal Program

In our opinion, Park County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Park County School District #1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to previously. In planning and performing our audit of compliance, we considered Park County School District #1's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Park County School District #1's internal control over compliance.

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

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

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



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

November 25, 2013
Casper, Wyoming

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

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

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

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

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

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

Identification of major programs:

| CFDA Numbers | Name of Federal Program or Cluster |
|---|--|
| <i>Title I, Part A Cluster</i> | |
| 84.010A | Title I Grants to Local Educational Agencies |
| <i>Special Education Cluster (IDEA)</i> | |
| 84.027A | Special Education Grants to States – IDEA Part B |
| 84.173A | Special Education – Preschool Grants IDEA Part B |

(Continued)

PARK COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
June 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

| | |
|---|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditee qualified as low-risk auditee? | Yes |

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

PARK COUNTY SCHOOL DISTRICT #1
SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2013

Note 1. Summary Schedule of Prior Audit Findings

There were no audit findings reported for the year ended June 30, 2012.