

PARK COUNTY SCHOOL DISTRICT NO. 16  
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CERTIFIED PUBLIC ACCOUNTANT  
**James B. Seckman, CPA, P.C.**  
PROFESSIONAL CORPORATION

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Park County School District No. 16  
Meeteetse, Wyoming

**Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Park County School District No. 16 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 No. 16'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 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**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 risk 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 purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluation 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund information of Park County School District No. 16 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.

James B. Seckman, CPA, P.C.

PROFESSIONAL CORPORATION

**Other Matters**

## Required Supplementary information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 24 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

The District has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

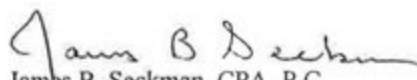
## Other information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Park School District No. 16's basic financial statements. The other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated September 9, 2013 on my consideration of Park County School District No. 16's internal control over financial reporting and my tests of its compliance with certain provisions of law, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering internal control over financial reporting and compliance.

  
James B. Seckman, CPA, P.C.  
September 9, 2013

PARK COUNTY SCHOOL DISTRICT NO. 16  
STATEMENT OF NET POSITION  
June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 2,796,346	\$ 10,458	\$ 2,806,804
Accounts Receivable, net of uncollectibles	16,495	3,352	19,847
Inventories	-	5,119	5,119
Due from Other Governments	8,356	-	8,356
Capital Assets, Non Depreciable	83,268	-	83,268
Capital Assets, Depreciable Net	8,875,088	-	8,875,088
 TOTAL ASSETS	 \$ 11,779,553	 \$ 18,929	 \$ 11,798,482
LIABILITIES			
Accounts Payable	\$ 3,616	\$ 1,592.00	\$ 5,208
Accrued Expenses	15,900	3,612	19,512
Compensated Absences	15,869	-	15,869
Deferred Inflows	6,734	-	6,734
Long Term Debt, Less Than One Year	75,516	-	75,516
Early Retirement	7,434	-	7,434
Compensated Absences	32,220	-	32,220
Capital Lease Payable	111,944	-	111,944
 TOTAL LIABILITIES	 269,233	 5,204	 274,437
NET POSITION			
Investment in Capital Assets, Net of Related Debt	8,738,676	-	8,738,676
Restricted	1,981,211	-	1,981,211
Unrestricted	790,433	13,725	804,158
 TOTAL NET POSITION	 \$ 11,510,320	 \$ 13,725	 \$ 11,524,045

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (1,574,498)	\$ -	\$ (1,574,498)
(183,292)	-	(183,292)
(1,189,911)	-	(1,189,911)
(52,254)	-	(52,254)
-	-	-
<u>(320,201)</u>	<u>-</u>	<u>(320,201)</u>
<u>(3,320,156)</u>	<u>-</u>	<u>(3,320,156)</u>
<u>-</u>	<u>(61,177)</u>	<u>(61,177)</u>
<u>-</u>	<u>(61,177)</u>	<u>(61,177)</u>
<u>(3,320,156)</u>	<u>(61,177)</u>	<u>(3,381,333)</u>
5,977,840	-	5,977,840
(1,968,521)	-	(1,968,521)
4,339	-	4,339
(17,627)	62,000	44,373
<u>28,512</u>	<u>-</u>	<u>28,512</u>
<u>4,024,543</u>	<u>62,000</u>	<u>4,086,543</u>
704,387	823	705,210
<u>10,805,933</u>	<u>12,902</u>	<u>10,818,835</u>
<u>\$ 11,510,320</u>	<u>\$ 13,725</u>	<u>\$ 11,524,045</u>

PARK COUNTY SCHOOL DISTRICT NO. 16  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013

	Governmental Fund Types			Totals
	General	Special Revenue	Capital Projects	
<u>ASSETS</u>				
Cash and Investments	\$ 815,071	\$ 45,194	\$ 1,936,081	\$ 2,796,346
Accounts Receivable, net of uncollectibles	16,495	-	-	16,495
Due From Other Governments	-	-	-	-
Interfund Receivables	3,073	5,283	-	8,356
<b>TOTAL ASSETS</b>	<b>\$ 834,639</b>	<b>\$ 50,477</b>	<b>\$ 1,936,081</b>	<b>\$ 2,821,197</b>
<u>LIABILITIES</u>				
Accounts Payable	\$ 1,800	\$ 1,816	\$ -	\$ 3,616
Accrued Expenses	13,540	2,360	-	15,900
Deferred Revenues	-	-	-	-
Interfund Payable	5,563	1,171	-	6,734
<b>TOTAL LIABILITIES</b>	<b>20,903</b>	<b>5,347</b>	<b>-</b>	<b>26,250</b>
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	45,130	1,936,081	1,981,211
Assigned	-	-	-	-
Unassigned	813,736	-	-	813,736
<b>TOTAL FUND EQUITY</b>	<b>813,736</b>	<b>45,130</b>	<b>1,936,081</b>	<b>2,794,947</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 834,639</b>	<b>\$ 50,477</b>	<b>\$ 1,936,081</b>	

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	8,958,356
Long term liabilities, including capital lease payable, are not due and payable in the current period and therefore, are not reported in the funds.	(187,460)
Long term liabilities, including compensated absences, are not due and payable in the current period and therefore, are not reported in the funds.	(48,089)
Long term liabilities, including early retirement, are not due and payable in the current period and therefore, are not reported in the funds.	(7,434)
Internal service funds are used by management to charge the cost of insurance to individual funds.	
Net assets of the Internal Service Fund.	-
	<b>\$ 11,510,320</b>

PARK COUNTY SCHOOL DISTRICT NO. 16  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2013

	General	Special Revenue	Capital Projects	Totals
REVENUES				
Taxes	\$ 5,977,840	\$ -	\$ -	\$5,977,840
Intergovernmental	4,423	277,722	622,112	904,257
Foundation	(2,595,056)			
Interest	3,301	-	1,038	4,339
Miscellaneous	28,337	175	-	28,512
	TOTAL REVENUE	3,418,845	277,897	623,150
EXPENDITURES				
Current				
Instruction	1,703,347	148,873	-	1,852,220
Instructional Support	182,809	483	-	183,292
General Support	1,321,718	57,608	-	1,379,326
Community Support	-	-	-	-
Capital Outlay	-	52,254	507,955	560,209
Debt Service				
Principial Retirement	-	-	-	-
Interest	-	-	-	-
	TOTAL EXPENDITURES	3,207,874	259,218	507,955
Excess (Deficiency) of Revenue Over (Under) Expenditures	210,971	18,679	115,195	344,845
OTHER FINANCING SOURCES (USES)				
Operating Transfer In (Out)	(217,627)	-	200,000	(17,627)
Total Other Financing Sources (Uses)	(217,627)	-	200,000	(17,627)
Excess (Deficiency) of Revenue and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(6,656)	18,679	315,195	327,218
Fund Balance - Beginning Of Year	820,392	26,451	1,620,886	2,467,729
Fund Balance - Ending Of Year	\$ 813,736	\$ 45,130	\$1,936,081	\$2,794,947

PARK COUNTY SCHOOL DISTRICT NO. 16  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ACTIVITIES  
For the Year June 30, 2013

Amounts reported for governmental activities in the statement of activities (page 4) are different because:

Net change in fund balances - total governmental funds (page 6) \$ 327,218

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

The details of the difference are as follows:

Capital outlay	721,178	
Loss on asset disposal	-	
Depreciation	<u>(320,201)</u>	
Net adjustment		400,977

Deferred revenue is recorded in the the governmental funds for revenues that have not been earned and was not available. This deferred revenue source decreased for the year

-

Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and are not reported as expenditures in governmental funds

-

Early retirement are reported in the government-wide statement of activities, but do not require the use of current financial resources and are not reported as expenditures in governmental funds

44,603

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

The details of the difference are as follows:

Principal payments long-term debt	-	
Capital Lease Purchases	(167,727)	
Capital lease principal payments	<u>99,316</u>	
Net adjustment		<u>(68,411)</u>

Change in net assets of governmental activities (page 4)

\$ 704,387



**PARK COUNTY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year June 30, 2013**

	<u>Lunch Fund</u>
<b>ASSETS</b>	
Cash	\$ 10,458
Accounts Receivable	3,352
Inventory	5,119
Property and equipment, net	<u>-</u>
 Total assets	 <u>\$ 18,929</u>
 <b>Liabilities</b>	
Interfund Accounts payable	\$ 1,592
Accrued liabilities	<u>3,612</u>
 Total liabilities	 <u>\$ 5,204</u>
 <b>Net Position</b>	
Unrestricted	<u>13,725</u>
 Total Net Position	 <u>\$ 13,725</u>

PARK COUNTY SCHOOL DISTRICT NO. 16  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
For the Year June 30, 2013

	Lunch Fund
OPERATING REVENUES	
Food Sales	23,965
Total Operating Revenues	23,965
OPERATING EXPENSES	
Salaries	56,345
Employee Benefits	23,414
Purchased Services	2,678
Food Cost	37,294
Total Operating Expenses	119,731
OPERATING INCOME	(95,766)
NON-OPERATING REVENUE (EXPENSES)	
Interest	-
Operating Grants	34,589
Income (Loss) Before Operating Transfer	(61,177)
Operating Transfer In	62,000
CHANGE IN NET POSITION	823
Net Position - Beginning of Fiscal Year	12,902
Net Position - End of Fiscal Year	\$ 13,725

PARK COUNTY SCHOOL DISTRICT NO. 16  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For the Year June 30, 2013

	<u>Lunch Fund</u>
<u>CASH FLOWS OPERATING ACTIVITIES:</u>	
Cash received from services	\$ 23,965
Cash paid to suppliers	(39,972)
Cash paid to employees	<u>(78,167)</u>
Net Cash Provided by Operating Activities	(94,174)
 CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Operating Grants Received	34,589
Operating Transfers In (Out)	<u>62,000</u>
Net Cash Provided by Noncapital Financing Activities	96,589
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition of Capital Assets	<u>-</u>
Net Cash Used In Capital and Related Financing Activities	<u>-</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on Deposits	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,415
Cash and Cash Equivalents, Beginning of Year	<u>8,043</u>
Cash and Cash Equivalents, End of Year	<u>\$ 10,458</u>
 Operating Income (Loss)	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	\$ (95,766)
Depreciation	-
Change in assets and liabilities (Increase) Decrease in	
Inventory	-
Accounts Payable	<u>1,592</u>
Total Adjustments	<u>1,592</u>
Net Cash Provided by Operating Activities	<u>\$ (94,174)</u>

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year June 30, 2013**

	Agency Funds	Private Purpose Trust
<b>ASSETS</b>		
Cash	\$ 39,027	\$ 232,402
Total Assets	\$ 39,027	\$ 232,402
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ -
Due to Others	39,027	-
Total Liabilities	39,027	-
<b>Net Position</b>		
Held in trust	-	232,402
Total Net Position	\$ -	\$ 232,402

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**Notes to Financial Statements**  
**June 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Board of Trustees (Board) is the level of government which has governance responsibilities over all activities related to public primary and secondary school education within the jurisdiction of Park County School District #16. 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 is deemed to be a primary government unit under GASB pronouncements, since the Board is elected by the public, has decision making authority, and is financially accountable for its actions. 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 #16 has no component units nor is it considered a component unit of any other government. The financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units.

**B. Government-wide and fund financial statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

PARK COUNTY SCHOOL DISTRICT NO. 16  
Notes to Financial Statements  
June 30, 2013

**I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**C. Measurement focus, basis of accounting, and financial statement presentation**

The Board adopted GASB Statement 34, Basic Financial Statements for State and Local Governments during the fiscal year ended June, 2004. The adoption of this Statement is meant to present the information in a format more closely resembling that of the private sector and to provide the user with more managerial analysis regarding the financial results and the Board's financial outlook.

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

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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.

PARK COUNTY SCHOOL DISTRICT NO. 16  
Notes to Financial Statements (Continued)  
June 30, 2013

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for revenue derived from specific sources (other than major capital projects) that are restricted by legal and regulatory provisions to finance specific activities. This fund accounts for grant and major maintenance activity.

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

The *proprietary fund* is used to account for activities that are similar to those found in the private sector. All assets, liabilities, equities, revenues and expenses are recorded on the accrual basis of accounting. The school lunch program is accounted for as a proprietary fund.

The *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.

The Private Purpose Trust Fund – The transactions of the employee group insurance trust and employee section 125 flex spending accounts.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The District also has the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation.

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.

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**Notes to Financial Statements (Continued)**  
**June 30, 2013**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the District has elected to follow GASB statements issued after November 30, 1989, rather than the Financial Accounting Standards Board pronouncement, which has been superseded by FASB Accounting Standards Codification, in accounting for enterprise funds.

**D. Assets, liabilities, and Net Position or equity**

1. Cash and Cash Equivalents

For the purpose of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments are carried at fair value and consist primarily of money market accounts and certificates of deposit. The District had no investments as of June 30, 2013.

Wyoming State Statutes allow the District to invest in US. and state and local government securities and accounts of any bank and savings associations which are federally insured.

3. Accounts Receivable

The District considers all accounts receivable to be fully collectible at June 30, 2013 and, therefore no allowance for doubtful accounts is deemed necessary. A total of \$17,985 of receivables and revenue is recorded at the government-wide basis of accounting. The District has established an allowance for uncollectable accounts of \$1,394 based on historical collection history.

4. Interfund Balances

These amounts are eliminated in the governmental and business-type activities columns of the statement of activities columns of the statement of Net Position, except for the net residual amounts due between governmental and business-type activities.



**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**Notes to Financial Statements (Continued)**  
**June 30, 2013**

**II. Stewardship, compliance, and accountability**

**A. 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 Wednesday 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).
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 NO. 16**  
**Notes to Financial Statements (Continued)**  
**June 30, 2013**

**III. Detailed Notes on All Funds**

**A. Cash and Investments**

Wyoming statutes allow the District to deposit uninvested funds with federal banks, state banks, and federal or state savings and loan institutions. All deposits must be fully insured by the FDIC, the FSLIC or secured by a pledge of financial institution assets.

Wyoming statutes allow investments in bonds or obligations issued by or guaranteed by the United States, repurchase agreements involving bonds or obligations issued by or guaranteed by the United States, mortgage backed securities that are obligations of or guaranteed or insured by the United States (excluding high risk items) bankers acceptances of United States banks eligible for purchase by the Federal Reserve System, guaranteed investment contracts issued by a United States commercial bank or insurance company, a commingled fund of securities listed in this paragraph held by a bank authorized to do business in the State of Wyoming, Bonds of the Wyoming Natural Gas Pipeline authority, and shares of diversified money market funds that invest their funds as prescribed by law. The District currently has no investments of these types.

The carrying value of cash and investments at June 30, 2013 totaled to \$2,806,804. The deposits with financial institutions as of the same date were in the amount of \$3,115,660.

The District's deposits and investments as of June 30, 2013 are categorized below to give an indication of the level of risk assumed by the entity at year-end.

1. Totally insured under Federal Depository Insurance	\$	250,000
2. Secured with security held by the financial institution or its agent in the name of the District evidenced by properly executed joint custody receipts		2,865,660
3 Uninsured and Uncollateralized		-
<b>Total Bank Balance</b>	<b>\$</b>	<b><u>3,115,660</u></b>

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**Notes to Financial Statements (Continued)**  
**June 30, 2013**

**B. Capital Assets**

A summary of changes in capital assets follows:

Summary of Governmental Funds Capital Assets				
Description	Balance at 6/30/12	Additions	Deletions	Balance at 6/30/13
Land	\$ 83,268	\$ -	\$ -	\$ 83,268
Buildings and Improvements	5,492,175	6,682,665	-	12,174,840
Machinery and Equipment	2,213,127	213,224	49,130	2,377,221
Construction in Progress	6,174,710	-	6,174,710	-
Total	13,963,280	6,895,889	6,223,840	14,635,329
Less Accumulated Depreciation	(5,405,902)	(320,201)	49,130	(5,676,973)
Net Capital Assets	\$ 8,557,378			\$ 8,958,356

Summary of Proprietary Fund Capital Assets

Description	Balance at 6/30/12	Additions	Deletions	Balance at 6/30/13
Machinery and Equipment	32,376	-	-	32,376
Accumulated Depreciation	(32,376)	-	-	(32,376)
Net Book Value	\$ -	\$ -	\$ -	\$ -

**C. 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 coverages under each type of insurance policy vary in amounts and deductibles. The District has not had significant settlements exceeding insurance coverage in any of the past three fiscal years.

The District 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.

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**Notes to Financial Statements (Continued)**  
**June 30, 2013**

**D. Long Term Debt**

At June 30, 2013, the District was obligated for the following general long term debt:

SEWER FUND	Opening Balance	Annual Payment	Remaining Principal
Capital lease for bus. 3.795%, maturity 2014	\$ 41,374	\$ 20,302	\$ 21,072
Capital lease for bus. 3.795%, maturity 2014	37,045	18,178	18,867
Capital lease for bus. 4.009%, maturity 2013	19,194	19,194	-
Capital lease for suburban, 4.009%, maturity 2013	6,609	6,609	-
Capital lease for bus. 4.2%, maturity 2017	167,727	32,495	135,232
Capital lease for copiers, 4.196%, maturity 2016	14,827	2,538	12,289
	\$ 286,776	99,316	\$ 187,460

Payments required retiring the above long-term debt is as follows:

Fiscal Year	Principal	Interest	Total
2014	\$ 76,516	\$ 5,126	\$ 81,642
2015	37,575	2,612	40,187
2016	38,623	1,563	40,186
2017	34,746	643	35,389
	\$ 187,460	\$ 9,944	\$ 197,404

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**Notes to Financial Statements (Continued)**  
**June 30, 2013**

**F. Operating Transfers**

Funds of \$62,000 were transferred from the general fund to the lunch fund for operations. Funds of \$200,000 were transferred from the general fund to the depreciation reserve fund.

**G. BUDGET AMENDMENTS**

The District did not amended its budget for the year ended June 30, 2013.

**H. DEFERRED REVENUE**

Special revenue fund deferred revenue consists of grant receipts for which the revenue recognition criteria have not been met. There were no deferred revenue amounts in the current year.

**I. FEDERAL AND STATE GRANTS**

The District receives grant funds from various Federal and State agencies for special projects. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material. Depending on the complexity of the grant project, completion of the project may span more than one fiscal year.

**J. Short Term Loans**

The District is a recapture District within the State of Wyoming. Monies are paid back to the State of Wyoming based upon a mathematical calculation by the State. Due to these payments, the State allows a short-term loan to be made to the District for cash flow purposes which must be repaid in two increments (half in January and half in June). During the current year, approximately \$677,378 was borrowed from the State and paid back. The loan is required to be paid back by December of each year in order to avoid interest charges.

**K. Interfund receivables and payables**

The interfund receivable and payable as of June 30, 2013 are not significant and have been paid back in 2013.

**SUPPLEMENTARY INFORMATION**

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**SCHEDULE OF REVENUES - GENERAL FUND**  
**For the Year Ended June 30, 2013**

<u>LOCAL TAXES</u>	
Special District Tax	\$ 5,692,594
Motor Vehicle	81,227
Local Other	<u>34,362</u>
 Total Local Taxes	 <u>5,808,183</u>
<u>COUNTY TAXES</u>	
6 Mil Taxes	168,756
Motor Vehicle	15,601
County Other	<u>15,789</u>
 Total County Taxes	 <u>200,146</u>
<u>STATE FUNDS</u>	
State Foundation Funds	(2,595,056)
State Other	<u>5,572</u>
 Total State Taxes	 <u>(2,589,484)</u>
 Total Intergovernmental Revenue	 <u>\$ 3,418,845</u>

**PARK COUNTY SCHOOL DISTRICT NO. 16**  
**SCHEDULE OF EXPENDITURES -**  
**GENERAL FUNDS**  
**For The Year Ended June 30, 2013**

	<u>General Fund</u>
Instruction	
Salaries and Benefits	\$ 1,413,006
Capital Outlay	19,083
Other	<u>271,258</u>
	1,703,347
Instructional Support	
Salaries and Benefits	113,194
Capital Outlay	-
Other	<u>69,615</u>
	182,809
General Support	
Salaries and Benefits	817,827
Capital Outlay	15,050
Other	<u>488,841</u>
	1,321,718
 Total	 <u>\$ 3,207,874</u>



CERTIFIED PUBLIC ACCOUNTANT  
**James B. Seckman, CPA, P.C.**  
PROFESSIONAL CORPORATION

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

To the Board of Trustees  
Park County School District No. 16  
Meeteetse, Wyoming

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of Park County School District No. 16, 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 No. 16 basic financial statements and have issued my report thereon dated September 9, 2013.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, we considered Park County School District No. 16's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Park County School District No. 16's internal control. Accordingly, I do not express an opinion on the effectiveness of Park County School District No. 16'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 in charge with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I considered to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control over financial reporting, described below, that I considered to be significant deficiencies in internal control over financial reporting.

2013 - 1

**Criteria:** Segregation of duties is a primary aspect of internal control. Segregation of duties provided that one individual not be able to handle or dominate a transaction from initiation to posting and or have access to both assets and the accounting records.

**Condition:** There are various functions which do not maintain proper segregation of duties.

**Effect:** Adequate segregation of duties were not maintained for proper internal control.

**Cause:** District too small to properly segregate duties.

**Recommendation:** It is not feasible due to the size of the District to develop proper segregation of duties, however management should be aware of this deficiency and monitor going forward.

**Client Response:** It is not feasible due to the size of the District to properly segregate all duties, we will continue to evaluate this deficiency and provide oversight and review when feasible.

**James B. Seckman, CPA, P.C.**

PROFESSIONAL CORPORATION

2013-2

**Criteria:** Auditing standards require the auditor to evaluate whether the entities' internal control system allows for the reliable reporting of financial data, including note disclosure, in accordance with generally accepted accounting principles.

**Condition:** The District does not have the expertise to evaluate whether the financial statements and note disclosures are in compliance with generally accepted accounting principles.

**Effect:** The District does not have the expertise to properly evaluate the financial statement and note disclosure preparation.

**Cause:** Due to ever changing auditing standards and the requirements of financial statement reporting and note disclosures. Continuous updates and education would be required to be able to maintain required expertise in this area.

**Recommendation:** I recommend that the District send the business manager to additional training to evaluate the preparation and presentation of financial statements in accordance with generally accepted accounting principles. The District should be aware of this deficiency and continue to evaluate the impact of this deficiency.

**Client Response:** It is not feasible to hire someone with the required level of expertise to oversee the preparation of financial statements and note disclosures. We will continue to evaluate this deficiency.

**Compliance and other matters**

As part of obtaining reasonable assurance about whether Park County School District No. 16's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of Park County School District No. 16 in a separate letter dated September 9, 2013.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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.

  
James B. Seckman, CPA, P.C.  
September 9, 2013