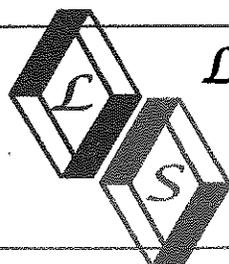


**PLATTE COUNTY
SCHOOL DISTRICT NUMBER ONE**

FINANCIAL REPORT

JUNE 30, 2013



*LOVELETT,
SKOGEN &
ASSOCIATES, P.C.*

Certified Public Accountants

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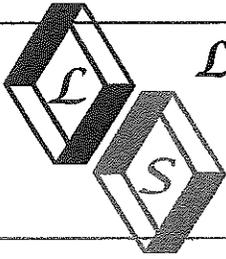
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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Platte County School District Number One
Wheatland, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Platte County School District Number One (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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.

Roxy L. Skogen, CPA, CFE

Michael J. Cometto, CPA, CFE

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Platte County School District Number One, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-13 and 44-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Platte County School District Number One's basic financial statements. The combining and individual nonmajor fund financial statements, and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2013, on our consideration of the Platte County School District Number One's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

The accompanying financial statements, supplemental information, and our independent auditors' reports are for the purpose of meeting local, state, and federal requirements and for the use of those entities and the management and the Board of Trustees and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements, supplemental information, and independent auditors' reports are hereby advised that the liability of Lovelett, Skogen & Associates, P.C. to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute §33-3-201.

Lovelett, Skogen & Associates, P.C.

Casper, Wyoming
November 19, 2013

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The discussion and analysis of Platte County School District Number One financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for 2013 are as follows:

Total Programs:

- Total net position decreased \$2,346,059. Net assets of Governmental Activities decreased \$2,372,576. Unrestricted net position of Business-Type Activities increased \$26,517.
- Total revenues of \$20,438,771 were comprised of Governmental Activities revenues in the amount of \$20,117,332 and Business-Type Activities revenues in the amount of \$321,439.
- Total program expenses were \$20,414,596, \$19,879,674 in Governmental Activities and \$534,922 in Business-Type Activities.

Governmental Activities:

- Total net position decreased \$2,372,576.
- Total revenues of \$20,117,332 were comprised of general revenues of \$18,574,982 or 92.3% and program revenues of \$1,542,350 or 7.7%.
- Program expenses totaled \$19,879,674. There was a transfer to Business-Type Activities in the amount of \$240,000.

Business-Type Activities:

- Total net position increased \$26,517.
- Total revenues of \$321,439 were comprised of operating grants and contributions of \$157,152 or 48.9% and charges for services of \$164,287 or 51.1%.
- Program expenses totaled \$534,922. There was a transfer to Business-Type Activities in the amount of \$240,000.

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Using this Annual Financial Report

This annual report consists of two distinct series of financial statements: the district-wide and the fund financials. The district wide reports are designed to show the District as a sum of its significant fund activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the government-type and business-type activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances.

Fund financial statements provided the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other nonmajor funds presented in total in one column. In the case of Platte County School District Number One, the general, major maintenance, and capital projects are the most significant governmental funds.

The major features of the District's financial statements, including the portion of the activities reported and type of information contained is shown in the following table. (Table #1)

Remainder of page intentionally left blank.

Platte County School District Number One
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2013
 Unaudited

Table 1
Major Features of the District-wide and Fund Financial Statements

	<i>Fund Financial Statements</i>			
	DISTRICT-WIDE STATEMENTS	GOVERNMENTAL	PROPRIETARY	FIDUCIARY
SCOPE	Entire District (except fiduciary funds).	The activity of the District that is not proprietary or fiduciary, such as instructional, support services, and community services. <u>The General, Major Maintenance, Capital Projects, Debt Service, and Grant Programs Fund are reported here.</u>	Activities the District operates similar to private business. The <u>Food Service Fund is reported here.</u>	Assets held by the District on behalf of someone else. <u>Student Activities and the Employee Insurance Trust are reported here.</u>
REQUIRED FINANCIAL STATEMENTS	Statement of net position and Statement of activities.	Balance sheet and Statement of revenues, expenditures, and changes in fund balance.	Statement of net assets, and Statement of revenues, expenses, and changes in net assets, and Statement of cash flows.	Statement of fiduciary net assets and Statement of changes in fiduciary net position.
BASIS OF ACCOUNTING AND MEASUREMENT FOCUS	Accrual accounting. Economic resources focus.	Modified accrual accounting. Current financial resources focus.	Accrual accounting. Economic resources focus.	Accrual accounting. Economic resources focus.
TYPE OF ASSET AND LIABILITY INFORMATION	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All assets and liabilities, both financial and capital, short-term and long-term.	All assets and liabilities, both financial and capital, short-term and long-term.
TYPE OF INFLOW AND OUTFLOW INFORMATION	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received or paid.

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

The analysis of the District as a whole begins on page 14. The review of the District as a whole looks at all financial transactions and asks the questions, "Are we in a better financial position this year than last?" and "Why" or "Why not". The *Statement of Net Position* and the *Statement of Activities* provide the basis for answering these questions. The statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net position* and any changes in the position. The change in net position is important because it tells the reader that, for the District as a whole, the *financial position* of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's enrollment, required educational programs, staffing and other factors.

In the *Statement of Net Position* and the *Statement of Activities*, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service is reported as business activities.

Reporting the School District's Most Significant Funds

The analysis of the District's major funds begins on page 16. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

Governmental Funds – Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* is reconciled in the financial statements of the *Governmental Funds*.

Proprietary Funds – Proprietary funds (the food service fund) have historically operated as *enterprise funds* using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the District as a whole.

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The District as a Whole

The Statement of Net Position provides the perspective of the District as a whole.

Then following table shows the condensed net assets by activities. (Table #2)

Table 2
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total
	2013	2012	2013	2012	2013
<u>Assets:</u>					
Current and Other Assets	\$ 4,112,272	\$ 4,131,308	\$ 49,580	\$ 20,749	\$ 4,161,852
Capital Assets, Net	22,096,665	22,031,506	7,632	7,610	22,104,297
Total Assets	26,208,937	26,162,814	57,212	28,359	26,266,149
<u>Liabilities:</u>					
Current and Other Liabilities	1,018,262	416,399	5,292	2,956	1,023,554
Long-Term Liabilities	3,169,230	1,352,394	0	0	3,169,230
Total Liabilities	4,187,492	1,768,793	5,292	2,956	4,192,784
<u>Net Position:</u>					
Invested in Capital Assets, net of related debt	20,877,120	21,201,077	7,632	7,610	20,884,752
Restricted	396,504	772,665	0	0	396,504
Unrestricted	747,821	2,420,279	44,288	17,793	792,109
Total Net Position	\$ 22,021,445	\$ 24,394,021	\$ 51,920	\$ 25,403	\$ 22,073,365

Net Position of Governmental Activities decreased by \$2,372,576 or 10%. This decrease was due mainly to an increase in current and long-term liabilities.

Net Position of Business-Type Activities increased by \$26,517 or 104%. Food service net increase was due to increase in cash and increase in liabilities. Main increase was caused because of increase in cash transferred from the general fund.

Table 3 shows the comparison of changes in net position for the fiscal years 2012 and 2013

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Table 3
Changes in Net Position from Operating Results
For Governmental Activities

	Governmental Activities		Business-Type Activities		Total
	2013	2012	2013	2012	2013
<u>Revenues</u>					
Program Revenue:					
Charges for Services	\$ 113,913	116,896	164,287	\$ 157,330	\$ 278,200
Operating Grants and Contributions	1,428,437	1,706,603	157,152	171,439	1,585,589
General Revenue:					
Property Taxes	6,497,962	6,518,733	0	0	6,497,962
Unrestricted Federal and State Aid	12,038,169	12,294,961	0	0	12,038,169
Miscellaneous	5,267	5,232	0	0	5,267
Earnings on Investments	33,584	51,328	0	0	33,584
Total Revenues	20,117,332	20,693,753	321,439	328,769	20,438,771
<u>Program Expenses</u>					
Instruction	11,715,190	11,951,410	0	0	11,715,190
Support Services:					
Students and Instructional Staff	2,089,959	2,247,216	0	0	2,089,959
Board of Education, Administration, Fiscal and Business	1,820,982	1,674,313	0	0	1,820,982
Operation and Maintenance of Facilities	2,502,243	1,981,059	0	0	2,502,243
Pupil Transportation	1,483,739	1,636,983	0	0	1,483,739
Other Support Services:					
Food Service	0	0	534,922	508,003	534,922
Other	267,561	288,431	0	0	267,561
Interest	0	35,459	0	0	0
Total Expenses	19,879,674	19,814,871	534,922	508,003	20,414,596
Excess (Deficiency) before Transfers	237,658	878,882	(213,483)	(179,234)	24,175
Transfers	(240,000)	(172,000)	240,000	172,000	0
Change in Net Position	\$ (2,342)	706,882	\$ 26,517	\$ (7,234)	\$ 24,175

The vast majority of revenue supporting Governmental Activities is general revenue. General Revenue totaled \$18,574,982 or 92.33% of revenue supporting Governmental Activities. Program Revenue for Governmental Activities totaled \$1,542,350 or 7.67%.

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
 Unaudited

Governmental Activities

Funding for Wyoming School Districts is based on student count during the school year. The District has seen a declining enrollment over the past years, as has most other school districts in Wyoming. The State of Wyoming has maintained the pre-student funding and fully funded items, thus the District has been able to maintain the instruction programs with only small reduction in expenditures.

Instruction comprises 59% of governmental program expenses. Total administration comprises 9% of governmental program expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 4 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 4
Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction	\$ 11,715,190	\$ 11,951,410	\$ 10,719,404	\$ 10,645,913
Support Services:				
Students and Instructional Staff	2,089,959	2,247,216	1,748,832	1,892,793
Board of Education, Administration, Fiscal and Business	1,820,982	1,674,313	1,820,982	1,674,313
Operation and Maintenance of Facilities	2,502,243	1,981,059	2,498,316	1,978,209
Pupil Transportation	1,483,739	1,636,983	1,398,923	1,601,302
Interest	0	35,459	0	35,459
Other Support Services	267,561	288,431	150,867	163,383
Total	\$ 19,879,674	\$ 19,814,871	\$ 18,337,324	\$ 17,991,372

The dependence upon general revenues for governmental activities is apparent. Over 92 percent of instructional activities are supported through funds from State of Wyoming and other general revenues. The State of Wyoming is by far the primary support for the District.

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Business-Type Activities

Business-type activities include the food service operation. The food service program has revenues of \$321,439 and expenses of \$534,922 for the fiscal year 2013. Governmental activities provided a transfer in the amount of \$240,000 to the business-type activities to cover operating deficits. This transfer was \$68,000 more than transfers in fiscal year 2012. Deficits for the fiscal year 2013 did increase due to increase in food costs and salaries and benefits for the year. The declining enrollment of the District and cost increases makes it hard for the food service operation not to operate in a deficit.

The District's Funds

The District's government funds are accounted for using the modified accrual basis of accounting.

General Fund Budgeting Highlights

The District's budget is prepared according to Wyoming law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District uses a site-based budgeting system designed to tightly control site budgets but provide flexibility for site management.

For the general fund, the final revenues were \$17,989,454 with final budgeted estimates of \$17,718,713. Budgeted estimates changes were approved by the Board of Trustees during the year. An increase of \$158,215 was approved due to an increase in county valuation for property taxes, offset by reduction in foundation payment.

Total actual expenditures on the budget basis were \$17,753,363, \$236,091 less than revenues. Due to increase in cost of Instructional services and Instructional support coming mostly from salaries and benefits.

The District's general fund ending cash balance was \$513,387 less than the cash balance at the beginning of the year. Two items causing the decrease in ending cash balance were the expenditures being more than revenues and a transfer of funds that belonged to capital construction fund that was in the beginning cash balance of the general fund as of July 1, 2012.

Capital Assets and Debit Administration*Capital Assets*

At the end of fiscal 2013 the District had \$22,104,297 invested in land and improvements, buildings and improvements, furniture and equipment and vehicles; \$22,096,665 of this amount is in governmental activities. Table 5 shows fiscal 2013 balances.

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Table 5
Net Capital Assets

	Governmental Activities		Business-Type Activities		Total
	2013	2012	2013	2012	2013
Land and Improvements	\$ 1,111,770	\$ 1,111,770	\$ 0	\$ 0	\$ 1,111,770
Buildings and Improvements	17,695,830	18,173,819	0	0	17,695,830
Equipment and Contents	949,014	878,204	7,632	7,610	956,646
Transportation Equipment	2,101,036	1,784,784	0	0	2,101,036
Construction in Progress	239,015	82,929	0	0	239,015
Total	\$ 22,096,665	\$ 22,031,506	\$ 7,632	\$ 7,610	\$ 22,104,297

The largest increases in value were in Transportation Equipment and Construction in Progress. There was a decrease in Buildings and Improvements. The total net capital assets remained stable between the fiscal years 2012 and 2013.

Debt

At June 30, 2013 the District had \$3,169,230 in long-term liabilities, \$916,006 due within one year. Increase in debt was caused by purchase lease of new buses and early retirement program offered to the certified staff in 2012. Table 6 summarizes the debt.

Table 6
Outstanding long-term obligations at year end

	Balance <u>June 30, 2013</u>
Governmental Activities:	
Capital leases	\$ 1,219,545
Compensated absences	297,347
Early retirement	<u>1,652,338</u>
Governmental activities	
Long-term liabilities	<u>\$ 3,169,230</u>

Platte County School District Number One
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Current Financial Related Activities

Platte County School District Number One is strong financially. The stable state funding has helped the District to maintain its financial programs.

The District has been successful in continuing to maintain its strong academic programs while dealing with enrollment decreases. Because the decrease in enrollment continues, the District did reduce staff for the fiscal year 2014 and will continue to reduce staff in future years if enrollment continues to decrease.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information contact William Templar, Business Manager, Platte County School District Number One, 1350 Oak Street, Wheatland, Wyoming 82201.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and short-term investments	\$ 3,353,483	\$ 27,734	\$ 3,381,217
Cash with fiscal agent	59,238	-	59,238
Receivables:			
Property taxes	545,428	-	545,428
Other governments, grants	51,600	-	51,600
Inventories and prepaid expenses	102,523	21,846	124,369
Capital assets:			
Land and construction in progress	1,350,785	-	1,350,785
Other capital assets, net of accumulated depreciation	20,745,880	7,632	20,753,512
Total assets	<u>26,208,937</u>	<u>57,212</u>	<u>26,266,149</u>
Liabilities:			
Accounts payable	385,911	2,704	388,615
Accrued salaries	630,999	2,588	633,587
Unearned revenue	1,352	-	1,352
Current portion of long-term obligations	916,006	-	916,006
Noncurrent portion of long-term obligations	2,253,224	-	2,253,224
Total liabilities	<u>4,187,492</u>	<u>5,292</u>	<u>4,192,784</u>
Net Position:			
Net investment in capital assets	20,877,120	7,632	20,884,752
Restricted for:			
Debt service	59,238	-	59,238
Major maintenance	337,266	-	337,266
Unrestricted	747,821	44,288	792,109
Total net position	<u>\$ 22,021,445</u>	<u>\$ 51,920</u>	<u>\$ 22,073,365</u>

See accompanying notes to financial statements.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Instructional services:				
Regular instruction	\$ 8,764,454	\$ -	\$ 139,033	\$ -
Special education	2,819,278	-	856,753	-
Vocational and adult education	131,458	-	-	-
Supporting services:				
Students	1,079,871	-	29,286	-
Instructional staff	1,010,088	-	311,841	-
Central services	269,995	-	-	-
School administration	1,055,346	-	-	-
Business services	431,415	-	-	-
Operation and maintenance of facilities	2,502,243	3,927	-	-
Pupil transportation	1,483,739	-	84,816	-
General administration	64,226	-	-	-
Community	258,459	109,986	6,708	-
Other	9,102	-	-	-
Total Governmental Activities	<u>19,879,674</u>	<u>113,913</u>	<u>1,428,437</u>	<u>-</u>
Business-Type Activities:				
Food service	<u>534,922</u>	<u>164,287</u>	<u>157,152</u>	<u>-</u>
Total District	<u>\$ 20,414,596</u>	<u>\$ 278,200</u>	<u>\$ 1,585,589</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:

 BOCES mill levy

 General purposes

 Major maintenance

 Parks and recreation

 Taylor grazing

Federal and state aid not restricted to specific purposes

 State foundation program

Miscellaneous

Earnings on investments

Transfers

Total general revenues and transfers

Change in net assets

Net position - beginning

Prior period adjustment

Net assets - beginning

Net position - ending

Net (Expenses) Revenue and
Changes in Net Position

Total Governmental Activities	Business-Type Activities	Total
\$ (8,625,421)	\$ -	\$ (8,625,421)
(1,962,525)	-	(1,962,525)
(131,458)	-	(131,458)
(1,050,585)	-	(1,050,585)
(698,247)	-	(698,247)
(269,995)	-	(269,995)
(1,055,346)	-	(1,055,346)
(431,415)	-	(431,415)
(2,498,316)	-	(2,498,316)
(1,398,923)	-	(1,398,923)
(64,226)	-	(64,226)
(141,765)	-	(141,765)
(9,102)	-	(9,102)
(18,337,324)	-	(18,337,324)
-	(213,483)	(213,483)
(18,337,324)	(213,483)	(18,550,807)
81,893	-	81,893
5,381,859	-	5,381,859
857,206	-	857,206
164,366	-	164,366
12,638	-	12,638
12,038,169	-	12,038,169
5,267	-	5,267
33,584	-	33,584
(240,000)	240,000	-
18,334,982	240,000	18,574,982
(2,342)	26,517	24,175
24,394,021	25,403	24,419,424
(2,370,234)	-	(2,370,234)
22,023,787	25,403	22,049,190
<u>\$ 22,021,445</u>	<u>\$ 51,920</u>	<u>\$ 22,073,365</u>

**FUND
FINANCIAL STATEMENTS**

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Major Funds			
	General	Capital Projects	Major Maintenance	Grant Programs
Assets:				
Cash and short-term investments	\$ 2,342,139	\$ 508,575	\$ 502,316	\$ 453
Cash with fiscal agent	-	-	-	-
Receivables:				
Property taxes	544,338	-	-	-
Other governments, grants	30,347	-	-	21,253
Internal balance	(1,342)	-	-	1,342
Inventories and prepaid expenses	102,523	-	-	-
Total assets	<u>\$ 3,018,005</u>	<u>\$ 508,575</u>	<u>\$ 502,316</u>	<u>\$ 23,048</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 175,427	\$ 25,250	\$ 165,050	\$ 20,184
Accrued salaries and benefits	629,487	-	-	1,512
Unearned revenue:				
Grant programs	-	-	-	1,352
Property taxes	30,430	-	-	-
Total liabilities	<u>835,344</u>	<u>25,250</u>	<u>165,050</u>	<u>23,048</u>
Fund Balances:				
Nonspendable for:				
Inventories and prepaid expenses	102,523	-	-	-
Restricted for:				
Major maintenance	-	-	337,266	-
Debt service	-	-	-	-
Unrestricted:				
Assigned for:				
Encumbrances	46,137	-	-	-
Capital projects	-	483,325	-	-
Unassigned, reported in:				
General fund	2,034,001	-	-	-
Total fund balances	<u>2,182,661</u>	<u>483,325</u>	<u>337,266</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,018,005</u>	<u>\$ 508,575</u>	<u>\$ 502,316</u>	<u>\$ 23,048</u>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,353,483
59,238	59,238
1,090	545,428
-	51,600
-	-
-	102,523
<u>\$ 60,328</u>	<u>\$ 4,112,272</u>
\$ -	\$ 385,911
-	630,999
-	1,352
1,090	31,520
<u>1,090</u>	<u>1,049,782</u>
-	102,523
-	337,266
59,238	59,238
-	46,137
-	483,325
-	2,034,001
<u>59,238</u>	<u>3,062,490</u>
<u>\$ 60,328</u>	<u>\$ 4,112,272</u>

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total fund balances for governmental funds \$ 3,062,490

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 1,111,770	
Construction in progress	239,015	
Buildings and improvements, net of \$11,097,246 accumulated depreciation	17,695,830	
Equipment and contents, net of \$2,757,486 accumulated depreciation	675,395	
Leased equipment, net of \$293,883 accumulated depreciation	273,619	
Transportation equipment, net of \$1,959,577 accumulated depreciation	801,671	
Leased transportation equipment, net of \$239,049 accumulated depreciation	<u>1,299,365</u>	22,096,665

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenue in the funds. 31,520

Long-term liabilities that pertain to governmental funds, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at year-end are:

Capital leases	\$ (1,219,545)	
Compensated absences	(297,347)	
Early retirement benefits	<u>(1,652,338)</u>	<u>(3,169,230)</u>

Total net position of governmental activities \$ 22,021,445

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Major Funds	
	General	Capital Projects
Revenues:		
Local sources	\$ 4,464,450	\$ -
County sources	1,283,646	-
State sources	12,189,840	-
Federal sources	-	-
Interest	30,932	135
Total revenues	17,968,868	135
Expenditures:		
Current:		
Instructional services:		
Regular instruction	7,805,249	-
Special education	1,968,070	-
Adult education	109,773	-
Supporting services:		
Students	1,026,190	-
Instructional staff	1,484,115	-
Central services	282,989	-
School administration	1,098,226	-
Business	430,842	-
Operation and maintenance of facilities	2,328,872	-
Pupil transportation	2,040,861	-
General administration	44,382	-
Other supporting services	5,556	-
Community	246,281	-
Capital outlay	-	42,959
Total expenditures	18,871,406	42,959
Excess (deficiency) of revenues over (under) expenditures	(902,538)	(42,824)
Other financing sources (uses):		
Sale of capital assets	1,642	-
Capital lease proceeds	889,464	-
Transfers	(259,998)	-
Total other financing sources	631,108	-
Net change in fund balance	(271,430)	(42,824)
Fund balances - beginning	2,909,927	526,149
Prior period adjustment	(455,836)	-
Fund balances - beginning as restated	2,454,091	526,149
Fund balances - ending	\$ 2,182,661	\$ 483,325

See accompanying notes to financial statements.

Major Maintenance	Grants Program	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 4,464,450
-	-	-	1,283,646
857,206	218,501	-	13,265,547
-	1,070,903	-	1,070,903
212	-	2,305	33,584
<u>857,418</u>	<u>1,289,404</u>	<u>2,305</u>	<u>20,118,130</u>
-	-	-	7,805,249
-	856,753	-	2,824,823
-	-	-	109,773
-	29,286	-	1,055,476
-	311,841	-	1,795,956
-	-	-	282,989
-	-	-	1,098,226
-	-	-	430,842
-	-	-	2,328,872
-	84,816	-	2,125,677
-	-	-	44,382
-	-	-	5,556
-	6,708	-	252,989
709,735	-	-	752,694
<u>709,735</u>	<u>1,289,404</u>	<u>-</u>	<u>20,913,504</u>
<u>147,683</u>	<u>-</u>	<u>2,305</u>	<u>(795,374)</u>
-	-	-	1,642
-	-	-	889,464
-	-	-	(259,998)
-	-	-	631,108
147,683	-	2,305	(164,266)
189,583	-	56,933	3,682,592
-	-	-	(455,836)
<u>189,583</u>	<u>-</u>	<u>56,933</u>	<u>3,226,756</u>
<u>\$ 337,266</u>	<u>\$ -</u>	<u>\$ 59,238</u>	<u>\$ 3,062,490</u>

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

Net change in fund balances-total governmental funds \$ (164,266)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlays	\$ 1,521,447	
Loss on disposal of capital assets	(20,991)	
Depreciation expense	<u>(1,435,297)</u>	65,159

Property tax revenues collected after the year for which they are being levied are reported as unearned revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Unearned property tax revenues decreased this year. (797)

In the statement of activities, certain operating expenses - compensated absences (vacations) and early retirement benefits (postemployment benefits) - are measured by the amounts earned during the year. In the governmental funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, accrued leave increased by \$37,887 and early retirement benefits payable decreased by \$524,565. 486,678

The governmental funds report capital lease proceeds as financing sources, while repayment of capital lease is reported as an expenditure. In the statement of net position; however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds, capital leases and related items is as follows:

Payments on capital leases	\$ 500,348	
Proceeds from new capital leases	<u>(889,464)</u>	<u>(389,116)</u>

Net change in net position of governmental activities \$ (2,342)

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

	Enterprise Fund
Assets:	
Current assets:	
Cash and investments	\$ 27,734
Inventories	21,846
Total current assets	49,580
Capital assets:	
Equipment	106,331
Accumulated depreciation	(98,699)
Net capital assets	7,632
Total assets	57,212
Liabilities:	
Current liabilities:	
Accounts payable	2,704
Accrued salaries and benefits	2,588
Total liabilities	5,292
Net position:	
Net investment in capital assets	7,632
Unrestricted	44,288
Total net position	\$ 51,920

See accompanying notes to financial statements.

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Enterprise Fund
Operating revenues:	
Food sales	\$ 164,287
Operating expenses:	
Salaries	234,454
Employee benefits	79,168
Supplies, materials, and purchased services	202,789
Capital outlay	4,689
Other	12,827
Depreciation	995
Total operating expenses	534,922
Operating loss	(370,635)
Nonoperating income:	
Federal sources	140,845
Federal commodities support	16,307
Total nonoperating income	157,152
Loss before transfers	(213,483)
Transfer in	240,000
Change in net position	26,517
Net position - beginning	25,403
Net position - ending	\$ 51,920

See accompanying notes to financial statements.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts for lunch sales	\$ 164,287
Payments to suppliers	(204,997)
Payments to and on behalf of employees	(312,511)
Net cash used in operating activities	<u>(353,221)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal Subsidy	140,845
Operating transfers in from other funds	240,000
Net cash provided by noncapital financing activities	<u>380,845</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(1,017)
Net cash used in capital and related financing activities	<u>(1,017)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net increase in cash and cash equivalents	<u>-</u>
Cash and cash equivalents - beginning	<u>1,127</u>
Cash and cash equivalents - ending	<u>\$ 27,734</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (370,635)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation expense	995
Federal commodities support	16,307
Increase in inventory	(2,224)
Increase in accounts payable and accrued expenses	2,336
Total adjustments	<u>17,414</u>
Net cash used in operating activities	<u>\$ (353,221)</u>

See accompanying notes to financial statements.

**FIDUCIARY FUND
FINANCIAL STATEMENTS**

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	Private- Purpose Trust	Student Activities Fund
	<u> </u>	<u> </u>
Assets:		
Cash and investments	\$ 392,744	\$ 267,449
	<u>\$ 392,744</u>	<u>\$ 267,449</u>
Liabilities		
Due to student groups	\$ -	\$ 267,449
Total liabilities	-	<u>\$ 267,449</u>
Net Position		
Restricted for employee payments	<u>392,744</u>	
Total net position	<u>\$ 392,744</u>	

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	Private- Purpose Trust
ADDITIONS	
Interest	\$ 42
Premiums	2,838,938
Total additions	<u>2,838,980</u>
DEDUCTIONS	
Premiums	<u>2,807,154</u>
Change in Net Position	31,826
Net Position - beginning	<u>360,918</u>
Net Position - ending	<u><u>\$ 392,744</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS

1. The Reporting Entity, Nature of Operations, Basis of Presentation, Description of Funds, and Significant Accounting Policies

REPORTING ENTITY

For financial reporting purposes, the District includes all of the funds of Platte County School District Number One. The reporting entity for the district consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. There are no component units requiring inclusion.

NATURE OF OPERATIONS

The operations of the District consist of providing educational services to the residents of the Towns of Wheatland, Chugwater, and Glendo and the surrounding area within Platte County, Wyoming. The District operates under a locally elected seven-member Board form of government and provides educational and supportive services as mandated by the State of Wyoming and/or federal agencies.

BASIS OF PRESENTATION

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

Fund Financial Statements

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

DESCRIPTION OF FUNDS

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the District are grouped into the categories governmental, proprietary and fiduciary.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

Governmental Funds:

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

Governmental funds are organized as major funds or non-major funds with an emphasis placed on major funds. A fund is considered major if it is a primary operating fund of the District and meets the following criteria:

Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the total for all funds of that category or type.

In addition, any other governmental fund that the District believes is particularly important to the financial statement users may be reported as a major fund.

The following are the District's major governmental funds:

General Fund – The General Fund is the operating fund of the District and is used to account for all financial resources except those that are required to be accounted for in another fund. The instructional and most of the support service programs of the District are accounted for in the General Fund. The revenue of the fund consists primarily of local property taxes and federal and state funds. The General Fund balance is available for any purpose provided it is expended or transferred according to the laws of the State of Wyoming.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources accumulated and payments made for the acquisition and improvements of sites; construction and remodel of facilities; and procurement of equipment, textbooks and supplies necessary for providing educational programs to all students within the District.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

Grant Programs Fund – The Grant Programs Fund is used to account for the proceeds of specific revenue sources (excluding state major maintenance) that are legally restricted to expenditures for specific purposes. The revenue of the Grant Programs Fund consists primarily of federal and state grants.

Major Maintenance Fund – The Major Maintenance Fund is used to account for financial resources to be used specifically for major maintenance of District facilities as defined by Wyoming State Statute.

Additionally, the District reports the following governmental funds:

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Currently there is no general long-term debt principal and interest.

Proprietary Funds:

Proprietary Funds focus on the determination of changes in net position, financial position and cash flows.

Enterprise Funds – The Food Service Fund is an enterprise fund used to account for the operations of the school lunch program on a self-supporting basis. The fund is sustained by charges for lunch, transfers from the general fund and government subsidized meal costs and food commodities.

Fiduciary Funds:

Fiduciary fund reporting focuses on net position and changes in net position. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

Agency Fund – The District's agency fund accounts for those student activity programs which have student participation in the activity and have students involved in the management of the programs.

Private Purpose Trust – The District's Employee Health Insurance Fund is accounted for as a private purpose trust. It reports resources held and administered in a fiduciary capacity on behalf of employees.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

SIGNIFICANT ACCOUNTING POLICIES

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

Significant accounting policies followed by the District are as follows:

- a) Measurement Focus and Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources and accrual basis of accounting. Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest, tuition, grants, fees, and rentals.

Federal and State Grants and Entitlements

Federal and state grants and entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned Revenue

On governmental fund financial statements, receivables that will not be collected within the available period, including property taxes have also been reported as unearned revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation are not recognized in governmental funds.

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and services. It also includes all revenue and expenses not related to capital and financing activities, noncapital financing, or investing activities. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

b) Budgetary Process

All funds are legally required to be budgeted and appropriated. The District's Board of Trustees annually adopts a budget and approves the related appropriations. Legal spending control is at the program level within each of the individual funds, management control is exercised at budgetary line item levels within each fund. The Board of Trustees may amend the budget after it is approved and also authorizes transfers between the various budgetary programs in any fund.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

The amounts reported as original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year.

c) Property Taxes

Property taxes are levied in the first week of August of each year and are collectible in two installments. Installments are due on September 1 and March 1 and are collectible on November 10 and May 10. If the first installment payment is made after November 10, the entire amount is due by December 31. Property taxes attach as an enforceable lien on the property if payment is not made by November 10 and May 10.

d) Cash, Cash Equivalents, and Investments

For purposes of the Proprietary Funds statement of cash flows, the Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments.

e) Internal 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 position, except for the net residual amounts due between governmental and business-type activities.

f) Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are recorded at cost if purchased, or at fair market value as of the date of the gift if received as a donation. The District maintains a capitalization policy in which assets with a cost of \$1,000 or greater are capitalized. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

f) Capital Assets (Continued)

incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

All reported capital assets except land, land improvements, and construction in progress are depreciated. Improvements are depreciated over the useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings and improvements	20 – 50 years	
Furniture and equipment	5 – 15 years	7 years
Transportation equipment	5 – 12 years	

g) Inventories

Inventories are accounted for at the lower of cost or market under the first-in, first-out method. Inventories in governmental fund types are equally offset by a fund balance reserve, which indicates that they do not constitute “available spendable resources” even though they are a component of net current assets.

h) Compensated Absences

Employees earn sick leave at the rate of nine days per year. Unused leave can be accumulated without limitation for certified staff. At termination, certified staff are paid \$40 per day for any accumulated sick leave.

Employees with 12-month positions earn vacation leave, generally nine days per year. Unused vacation does not accumulate. Outstanding vacation leave is payable upon termination up to one year’s accrual. Teachers and administrators earn three personal days and all other full-time employees earn one personal day each year. For tenured teachers, unused personal days accumulate with no limitation and are paid at \$40 per day upon termination.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it. Amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are reported as an obligation of the governmental funds for the government-wide statements. Vested or

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

i) Accrued Liabilities and Long-Term Obligations

accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Capital leases are recognized as a liability on the governmental fund financial statements when due.

The District offered a voluntary exit program providing an opportunity for health insurance to certain employees who separate from service. The District is providing health insurance until the employee reaches the age of 65 or for 60 months, whichever occurs first. The District also offered a voluntary exit program providing a fixed annual payment for five years. In accordance with Wyoming State Statutes, the District may terminate these payments in the event that funds are not available to make these payments in future years.

Payments for this program are made from current year's operations and are budgeted on a year to year basis. The total future liability which is to be paid from available resources is reported in the General Fund, the remaining liability is reflected as an obligation of the government activities. There are approximately thirty-two participants.

j) Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

k) Fund Balance

The District uses the fund balance definitions in GASB Codification Section 1800 for financial reporting for all governmental fund types. The classifications are intended to depict the nature of net resources that are reported in a governmental fund. An individual fund could include any combination of these classifications.

Nonspendable Fund Balance

These fund balances are the net balance of assets and liabilities that are either legally or contractually required to be maintained intact or are “not in spendable” form. This includes all legally or contractually restricted balances as well as prepaid expenses, inventory, and other items considered “not in spendable” form.

Restricted Fund Balance

These fund balances are the net balance of assets and liabilities that have provisions that are externally imposed. These are grants or other funds that are restricted by the debt covenants, grantor, contributor, or by laws or regulations of external governments. In general, these include legally enforceable requirements that the resources be used only for the specific purposes stipulated in the grant, debt covenant, or by law.

Committed Fund Balance

These fund balances are those imposed by a formal action taken by the Board of Trustees. Once the Board of Trustees has taken formal action the assets cannot be used for other purposes unless the Board of Trustees removes or changes the specified use by taking the same action it employed previously to commit the balances.

Assigned Fund Balance

Assigned fund balances are the net amounts of assets and liabilities constrained by the intent of the Board of Trustees. The intent will not be done by formal action of the Board of Trustees, but will be part of items such as the adopted budget or in a statement by the Board or by the Business Manager.

Unassigned Fund Balance

Typically unassigned fund balances will be limited to the General Fund and by definition they are the residual balance for fund balance.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

1. The Reporting Entity, Nature of Operations, Description of Funds and Account Groups, and Significant Accounting Policies (Continued)

k) Fund Balance (Continued)

When an expenditure is incurred for purposes for which a combination of fund balances is available, the District applies restricted fund balances, committed fund balances, assigned fund balances, and unassigned fund balances, respectively.

l) Encumbrances

For the General Fund, encumbrances are recorded when purchase orders are issued or contracts are entered into for goods or services, and are reflected as a unrestricted portion of the fund balance. Actual expenditures are recognized when the goods or services are received.

m) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

2. Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The statements of revenues, expenditures, and changes in fund balance – budget (non-GAAP) and actual presented for the General Fund, Major Maintenance, and Grant Programs Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Proceeds from capital leases and the associated capital outlay expenditure are not recorded on the cash basis (budget), but are recorded on the GAAP basis.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

2. Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General, Major Maintenance and Grant Programs Funds:

	<u>General Fund</u>	<u>Grant Programs</u>	<u>Major Maintenance</u>
Net change in fund balance -			
GAAP basis	\$ (271,430)	\$ -	\$ 147,683
Revenue accruals	20,586	202,184	-
Expenditure accruals	1,118,043	25,666	123,100
Other financing sources accruals	<u>(1,137,431)</u>	<u>-</u>	<u>-</u>
Net change in fund balance -			
Non-GAAP budgetary basis	<u>\$ (270,232)</u>	<u>\$ 227,850</u>	<u>\$ 270,783</u>

The following table summarizes the Grant Programs budget at the level required by Wyoming Statute:

	<u>Revised Budget</u>	<u>Actual (Non-GAAP) Budgetary Basis</u>	<u>Variance</u>
Revenues	\$ 1,896,183	\$ 1,491,588	\$ (404,595)
Expenditures			
Instruction	1,313,549	829,764	483,785
Instructional support	565,940	429,111	136,829
General support	20,464	4,863	15,601

3. Cash and Investments

Deposits and investments at June 30, 2013 consist of and appear in the financial statements as summarized below:

Cash and investments, statement of net position	\$ 3,381,217
Cash and investments, statement of fiduciary net position	660,193
	<u>\$ 4,041,410</u>
Cash in bank	\$ 2,615,821
Money Market Account	1,425,589
	<u>\$ 4,041,410</u>

The carrying amount of bank deposits at June 30, 2013 is \$4,041,410 and the bank balance is \$4,627,994. The differences between the carrying amount and the bank balances are due to

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

3. Cash and Investments (Continued)

outstanding checks and deposits not yet processed by the bank. Of the book balance, \$569,096 is covered by federal depository insurance and \$3,472,314 was collateralized by securities held by the financial institutions in the District's name and accordingly considered credit risk category 1.

The District's investments include deposits in a money market account with an interest rate of .80% at June 30, 2013. Investments in money market accounts are allowed under Wyoming State Statutes. As noted above, the money market account was collateralized by the financial institution, pledging its securities under properly executed joint custody receipts in the District's name.

The District attempts to match its investment maturities to expected cash flow needs.

4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Reclassifications	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 1,111,770	\$ -	\$ -	\$ -	\$ 1,111,770
Construction in progress	82,929	200,345	(44,259)	-	239,015
Total capital assets, not being depreciated	1,194,699	200,345	(44,259)	-	1,350,785
Capital assets, being depreciated:					
Buildings and improvements	28,419,472	329,345	44,259	-	28,793,076
Equipment and contents	3,361,397	93,946	31,401	(53,863)	3,432,881
Equipment under capital lease	338,947	259,956	(31,401)	-	567,502
Transportation equipment	2,810,246	-	367,035	(416,033)	2,761,248
Transportation equipment under capital lease	1,267,594	637,855	(367,035)	-	1,538,414
Total capital assets, being depreciated	36,197,656	1,321,102	44,259	(469,896)	37,093,121
Accumulated depreciation for:					
Buildings and improvements	(10,245,653)	(851,593)	-	-	(11,097,246)
Equipment and contents	(2,611,800)	(168,695)	(21,588)	44,597	(2,757,486)
Equipment under capital lease	(210,340)	(105,131)	21,588	-	(293,883)
Transportation equipment	(2,077,513)	(160,562)	(125,810)	404,308	(1,959,577)
Transportation equipment under capital lease	(215,543)	(149,316)	125,810	-	(239,049)
Total accumulated depreciation	(15,360,849)	(1,435,297)	-	448,905	(16,347,241)
Total capital assets, being depreciated, net	20,836,807	(114,195)	44,259	(20,991)	20,745,880
Governmental activities capital assets	\$ 22,031,506	\$ 86,150	\$ -	\$ (20,991)	\$ 22,096,665

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

4. Capital Assets (Continued)

	Beginning Balance	Increases	Reclassifications	Decreases	Ending Balance
Business-type activities:					
Equipment	\$ 105,314	\$ 1,017	\$ -	\$ -	\$ 106,331
Less accumulated depreciation	(97,704)	(995)	-	-	(98,699)
Business-type activities capital assets	<u>\$ 7,610</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,632</u>

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Instructional services	
Regular instruction	\$ 1,023,708
Vocational education	21,685
Supporting services:	
Operation and maintenance of facilities	8,125
Pupil transportation	358,389
General administration	19,844
Other transportation	<u>3,546</u>
Total depreciation expense, governmental activities	<u>\$ 1,435,297</u>

5. Wyoming Retirement System

Substantially all Platte County School District Number One full-time or regular part-time employees participate in the Wyoming Retirement System (System), a cost-sharing, multiple-employer public employee retirement system. The Plan provides retirement benefits at age 60 with early retirement options available. The Plan also provides disability and death benefits. Benefits are established by State Statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Wyoming Retirement System, Herschler Building, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

The plan statutorily requires 14.12% of the participant's salary to be contributed to the plan. Covered employees are required to contribute 7% of their salary to the plan with the District contributing the remaining 7.12%. As permitted by State statute, the District elected to pay the employees' share of the contribution. The District's contribution to the Plan for the years ending June 30, 2013, 2012 and 2011 were \$1,390,051, \$1,428,601 and \$1,409,037 respectively, equal to the required contributions for each year.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

6. Long-Term Obligations

Changes in long-term obligations were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due in One Year
Governmental Activities:					
Capital leases	\$ 830,429	\$ 889,464	\$ (500,348)	\$ 1,219,545	\$ 402,105
Compensated absences	259,460	76,806	(38,919)	297,347	44,602
Early retirement	2,176,903	-	(524,565)	1,652,338	469,299
Total governmental activities long-term liabilities	<u>\$ 3,266,792</u>	<u>\$ 966,270</u>	<u>\$ (1,063,832)</u>	<u>\$ 3,169,230</u>	<u>\$ 916,006</u>

During the current year, it was noted 24 employees were offered and accepted early retirement in February and March of 2012. The liability was not recorded in the previously issued financial statements as of June 30, 2012. The early retirement balance at June 30, 2012 was restated to recognize the additional obligation recording the obligation at the present value of \$1,603,277.

Capital Lease Obligations - The District leases certain transportation and office equipment under capital leases, of which some provide for the purchase of leased equipment for nominal amounts at the end of the lease term. The leases incur interest ranging from 3.16% to 5.00%. The terms of these leases are, in effect, purchases of the related assets. All leases are renewable annually, contingent on the District's ability to appropriate funds as required by Wyoming State Statutes.

Interest expense of \$32,711 as a result of long-term capital lease obligations is included in the government-wide statement of activities.

The following is a schedule by years of minimum future lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2013:

Payable during the year ended June 30,	
2014	\$ 426,668
2015	353,376
2016	305,828
2017	187,400
2018	<u>1,633</u>
Total	1,274,905
Less amount representing interest	<u>(55,360)</u>
Present value of long-term obligations under capital leases	<u>\$ 1,219,545</u>

Accrued vacation - Eligible personnel are entitled to initial vacation leave after completing twelve consecutive months of service, increasing thereafter depending on the length of service. A max of seven personal days can be earned. Vacation days accumulated are not paid if not used. Vacation days can be paid up to twenty days of upon termination.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

6. Long-Term Obligations (Continued)

Early retirement - The District offered a voluntary exit program providing an opportunity for health insurance to certain employees who separate from service. The District is providing health insurance until the employee reaches the age of 65 or for 60 months, whichever occurs first. The District also offered a voluntary exit program providing a fixed annual payment for five years. In accordance with Wyoming State Statutes, the District may terminate these payments in the event that funds are not available to make these payments in future years.

Payments for this program are made from current year's operations and are budgeted on a year to year basis. The total future liability which is to be paid from available resources is reported in the General Fund, the remaining liability is reflected as an obligation of the government activities. There are approximately thirty-two participants.

The following is a schedule by years of minimum future payments under early retirement together with the present value of the net minimum payments as of June 30, 2013:

Payable during the year ended June 30,	
2014	\$ 469,299
2015	436,862
2016	416,197
2017	<u>402,059</u>
Total	1,724,417
Less amount representing interest	<u>(72,079)</u>
Present value of long-term obligations under early retirement	<u>\$ 1,652,338</u>

7. Fund Equity and Net Position

Specific restrictions of fund balance and net position accounts are summarized below:

Encumbrances – to segregate a portion of the fund balance for when purchase orders are issued or contracts are entered into for goods or services, that are not available for general expenditure or expenses but are restricted.

Debt Service - to segregate a portion of the fund balance for debt service, including both principal and interest payments. The restriction was established to satisfy legal restrictions imposed by bond agreements.

Major Maintenance - to segregate the portion of fund balance that is not available for general expenditure or expense but rather restricted for capital outlay expenditures following the Wyoming Department of Education's definition of major maintenance.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

7. Fund Equity and Net Position (Continued)

Specific assignments of fund balance accounts are summarized below:

Capital Projects - to segregate the portion of fund balance that is not available for general expenditure or expense but rather restricted for future property, plant, and equipment major repair or replacement.

The District has no committed fund balances as of June 30, 2013.

8. Related Organization

In accordance with the Governmental Accounting Standards Board, Platte County Recreation District is considered a related organization. Platte County School District Number One's Board of Trustees appoints the Recreation District's governing board, but is not financially accountable for the Recreation District. The budgetary authority is not substantial and there are no other indications that the School District can impose its will on the Recreation District. Moreover, as the School District is not entitled to surpluses of the Recreation District and is not obligated for its deficits or debts, there is no financial benefit or burden relationship.

9. Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District currently manages said risk through the purchase of commercial insurance and participation in the Wyoming Workers' Compensation Program. All risk management activities are accounted for in the General Fund. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

10. Commitments and Contingencies

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

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

11. Internal Balances and Activity

Included in internal balances on the financial statements are individual fund receivable and payable balances at June 30, 2013 as follows:

	Due From	Due To
Special Revenue Fund	\$ 1,342	\$ -
General Fund	-	1,342

The composition of internal transfers from the General Fund for the year ended June 30, 2013 was as follows:

Transfer To Receiving Fund	Transfer From Paying Fund	Amount
Lunch Fund	General Fund	\$ 240,000
Student Activity Fund	General Fund	19,998

Transfers are used to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

12. Termination Benefits

Previously, the District offered an early retirement health insurance incentive; whereby, all District certified staff who met the Rule of 85 (age plus years of experience in Wyoming); or employees who had attained age sixty (60); or employees who had served the District for at least thirty (30) years; all of whom have served the last twenty (20) years in Platte County School District Number 1 in a full-time employment capacity and were presently employed by the District on a full time basis; and were covered by the District's health insurance policy on the date of application, were eligible for the health insurance retirement incentive option. The option allowed the District to pay single coverage health insurance for a period of five (5) years or age 65, whichever occurs first.

In the prior year, the District offered a voluntary exit incentive; whereby, all District certified staff who met the Rule of 85 (age plus years of experience in Wyoming); or employees who had attained age sixty (60); or employees who had served the District for at least thirty (30) years; all of whom have served the last twenty (20) years in Platte County School District Number 1 in a full-time employment capacity and were presently employed by the District on a full time basis; were providing a fixed annual payment of \$ 16,500 for five years. In accordance with Wyoming State Statutes, the District may terminate these payments in the event that funds are not available to make these payments in future years.

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

12. Termination Benefits (Continued)

Thirty-two (32) retirees have elected participation. The liability associated with the insurance and early retirement obligation is included in Note 6. Governmental accounting standards outline the cost of OPEB, like the cost of pension benefits, generally should be associated with the periods in which the exchange occurs, rather than with the periods (often many years later) when benefits are paid or provided. The standards also require that employers with more than 100 employees have an actuarial valuation done to determine the annual required contribution. Because of the limited number of participants, the dollar limitations, and the discontinuation of the plan, the District has not conducted an actuarial valuation of future healthcare costs as the difference is considered to not be material to the financial statements.

13. Prior Period Adjustment

During the current year it was noted 24 employees were offered and accepted early retirement in February and March of 2012. The liability and current portion was not recorded as a liability as of June 30, 2012. The payments started during the fiscal year ended June 30, 2013. As a result, the June 30, 2012 Government-wide financial statements liabilities were understated and net position was overstated by \$2,417,467. The effect on the June 30, 2012 general fund balance was an overstatement of fund balance and an understatement of wage expenditure of \$503,069.

During the current year it was noted that Wyoming Bridges Grant receivable for June 30, 2012 was not recorded in the amount of \$47,233. The effect on the June 30, 2012 government-wide financial statement assets, net position, general fund assets and fund balance was an understatement \$47,233.

REQUIRED SUPPLEMENTARY INFORMATION

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Local sources	\$ 4,196,264	\$ 4,234,479	\$ 4,467,257	\$ 232,778
County sources	1,173,638	1,173,638	1,284,540	110,902
State sources	12,160,596	12,280,596	12,206,725	(73,871)
Interest income	30,000	30,000	30,932	932
Total revenues	<u>17,560,498</u>	<u>17,718,713</u>	<u>17,989,454</u>	<u>270,741</u>
Expenditures:				
Current:				
Instructional services				
Regular instruction	9,606,399	9,712,786	8,857,796	854,990
Special education	2,648,693	2,648,693	2,491,475	157,218
Adult education	119,423	119,423	109,986	9,437
Instructional support:				
Students	605,408	605,408	640,122	(34,714)
Instructional staff	179,417	179,417	80,719	98,698
General support:				
Central services	366,348	366,348	259,220	107,128
School administration	1,107,655	1,107,655	1,098,357	9,298
Business	427,425	427,425	431,222	(3,797)
Operation and maintenance of facilities	2,506,266	2,506,266	2,327,780	178,486
Pupil transportation	1,480,530	1,480,530	1,409,830	70,700
General administration	47,500	47,500	41,343	6,157
Other	62,000	62,000	5,513	56,487
Total expenditures	<u>19,157,064</u>	<u>19,263,451</u>	<u>17,753,363</u>	<u>1,510,088</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,596,566)</u>	<u>(1,544,738)</u>	<u>236,091</u>	<u>1,780,829</u>
Other financing uses:				
Transfers out	<u>(501,785)</u>	<u>(540,000)</u>	<u>(506,323)</u>	<u>33,677</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>\$ (2,098,351)</u>	<u>\$ (2,084,738)</u>	<u>\$ (270,232)</u>	<u>\$ 1,814,506</u>

RECONCILIATION TO THE GAAP BASIS:

Excess (deficiency) of revenues over (under) expenditures and other financing uses	\$ (270,232)
Revenue accruals	(20,586)
Expenditure accruals	(1,118,043)
Other financing sources accruals	1,137,431
Net change in fund balance - GAAP Basis	<u>\$ (271,430)</u>

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL (NON-GAAP BASIS)
GRANT PROGRAMS FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
State sources	\$ 220,000	\$ 258,557	\$ 258,501	\$ (56)
Federal sources	1,511,000	1,637,626	1,233,087	(404,539)
Total revenues	<u>1,731,000</u>	<u>1,896,183</u>	<u>1,491,588</u>	<u>(404,595)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instruction	1,176,000	969,018	585,440	383,578
Special education	371,800	344,531	244,324	100,207
Instructional support:				
Students	105,200	436,199	342,310	93,889
Instructional staff	43,000	129,741	86,801	42,940
General support:				
Other	35,000	20,464	4,863	15,601
Total expenditures	<u>1,731,000</u>	<u>1,899,953</u>	<u>1,263,738</u>	<u>636,215</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (3,770)</u>	<u>\$ 227,850</u>	<u>\$ 231,620</u>

RECONCILIATION TO THE GAAP BASIS:

Excess (deficiency) of revenues over (under) expenditures	\$ 227,850
Revenue accruals	(202,184)
Expenditure accruals	(25,666)
Net change in fund balance - GAAP basis	<u>\$ -</u>

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL (NON-GAAP BASIS)
MAJOR MAINTENANCE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
State sources	\$ 547,207	\$ 857,206	\$ 309,999
Interest income	200	212	12
Total revenues	547,407	857,418	310,011
Expenditures:			
Capital outlay	645,384	586,635	58,749
Total expenditures	645,384	586,635	58,749
Excess (deficiency) of revenues over (under) expenditures	\$ (97,977)	\$ 270,783	\$ 368,760

RECONCILIATION TO THE GAAP BASIS:

Excess (deficiency) of revenues over (under) expenditures	\$ 270,783
Expenditure accruals	(123,100)
Net change in fund balance - GAAP basis	\$ 147,683

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements. The statements of revenues, expenditures, and changes in fund balance – budget (non-GAAP) and actual presented for the General Fund and Grant Programs Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

- a) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
- b) Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
- c) Proceeds from capital leases and the associated capital outlay expenditure are not recorded on the cash basis (budget), but are recorded on the GAAP basis.

The following table summarizes the Grant Programs budget at the level required by Wyoming Statute:

	Revised Budget	Actual (Non-GAAP) Budgetary Basis	Variance
Revenues	\$ 1,896,183	\$ 1,491,588	\$ (404,595)
Expenditures			
Instruction	1,313,549	829,764	483,785
Instructional support	565,940	429,111	136,829
General support	20,464	4,863	15,601

OTHER SUPPLEMENTAL INFORMATION

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND
JUNE 30, 2013**

	<u>Debt Service</u>
Assets:	
Cash with fiscal agent	\$ 59,238
Receivables:	
Property taxes	1,090
Total assets	<u>\$ 60,328</u>
 Liabilities and Fund Balances:	
Liabilities:	
Unearned revenue	\$ 1,090
Total liabilities	<u>1,090</u>
 Fund balances:	
Reserved for:	
Debt service	59,238
Total fund balances	<u>59,238</u>
Total liabilities and fund balances	<u>\$ 60,328</u>

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013**

	Debt Service
Revenues:	
Interest	\$ 2,305
Total revenues	2,305
 Expenditures:	
Total expenditures	-
Net change in fund balances	2,305
 Fund balances - beginning	56,933
Fund balances - ending	\$ 59,238

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
SCHEDULE OF BALANCE SHEETS
GRANT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2013

	Pass-through Grantor's Number	ASSETS		
		Cash	Due from Other Governments	Total Assets
Title I	131601T1A00	\$ 1,345	\$ -	\$ 1,345
	121601T1A00	434	14,311	14,745
	111601T1A00	-	-	-
Vocational Education	131601VEA00	5	295	300
	121601VEA00	-	-	-
Special Education - Preschool	131601VIBP00	2	-	2
	121601VIBP00	1	-	1
Special Education	131601VIB00	4	6,647	6,651
	121601VIB00	-	-	-
Improving Teacher Quality	131601T2A00	4	-	4
	121601T2A00	-	-	-
	111601T2A00	-	-	-
Instructional Facilitator	N/A	-	-	-
Other District Funds	N/A	(1,342)		(1,342)
		<u>\$ 453</u>	<u>\$ 21,253</u>	<u>\$ 21,706</u>

LIABILITIES

Accounts Payable	Due to Other Funds	Accrued Liabilities	Unearned Revenue	Total Liabilities
\$ -	\$ -	\$ -	\$ 1,345	\$ 1,345
14,745	-	-	-	14,745
-	-	-	-	-
300	-	-	-	300
-	-	-	-	-
-	-	-	2	2
-	-	-	1	1
5,139	-	1,512	-	6,651
-	-	-	-	-
-	-	-	4	4
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(1,342)	-	-	(1,342)
<u>\$ 20,184</u>	<u>\$ (1,342)</u>	<u>\$ 1,512</u>	<u>\$ 1,352</u>	<u>\$ 21,706</u>

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
SCHEDULE OF REVENUES AND EXPENDITURES
GRANT PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2013

	Pass-through Grantor's Number	REVENUE			Total Revenue
		Local	Federal	State	
Title I	131601T1A00	\$ -	\$ 288,135	\$ -	\$ 288,135
	121601T1A00	-	186,168	-	186,168
	111601T1A00	-	15,244	-	15,244
Vocational Education	131601VEA00	-	25,781	-	25,781
	121601VEA00	-	9,615	-	9,615
Special Education - Preschool	131601VIBP00	-	1,525	-	1,525
	121601VIBP00	-	807	-	807
Special Education	131601VIB00	-	138,820	-	138,820
	121601VIB00	-	163,151	-	163,151
Improving Teacher Quality	131601T2A00	-	24,627	-	24,627
	121601T2A00	-	164,074	-	164,074
	111601T2A00	-	52,956	-	52,956
Instructional Facilitator	N/A	-	-	218,501	218,501
Other District Program	N/A	-	-	-	-
		<u>\$ -</u>	<u>\$ 1,070,903</u>	<u>\$ 218,501</u>	<u>\$ 1,289,404</u>

EXPENDITURES				
Instruction	Instructional Support	General Support	Community Support	Total Expenditures
\$ 283,019	\$ -	\$ 5,116	\$ -	\$ 288,135
185,091	-	1,077	-	186,168
15,244	-	-	-	15,244
23,950	-	1,831	-	25,781
9,615	-	-	-	9,615
-	-	1,525	-	1,525
807	-	-	-	807
100,866	28,482	7,627	1,845	138,820
136,245	19,633	2,411	4,862	163,151
10,674	-	13,953	-	24,627
88,932	39,006	36,136	-	164,074
2,311	35,506	15,139	-	52,956
-	218,501	-	-	218,501
-	-	-	-	-
<u>\$ 856,754</u>	<u>\$ 341,128</u>	<u>\$ 84,815</u>	<u>\$ 6,707</u>	<u>\$ 1,289,404</u>

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
DETAIL SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

District	
25 Mill district tax	\$ 3,412,034
Parks and recreation	164,366
Motor vehicle tax	652,108
Car company tax	29,079
Penalties, interest, and other	5,789
BOCES mill levy	81,893
Adult education	109,986
Rental, school facilities	3,928
Sale of capital assets	1,629
Compensation for loss of fixed assets	13
Miscellaneous	5,267
	<hr/>
Total District	<u><u>\$ 4,466,092</u></u>
 County	
6 Mill county tax	\$ 803,209
Motor vehicle tax	154,002
Car company tax	7,451
Penalties, interest, and other	1,361
Fines and forfeitures	317,593
Forest reserve	30
	<hr/>
Total County	<u><u>\$ 1,283,646</u></u>
 State	
Foundation program	\$ 12,038,169
State funded programs	139,033
Taylor grazing	12,638
	<hr/>
Total State	<u><u>\$ 12,189,840</u></u>
 Interest	
	<u><u>\$ 30,932</u></u>
 Other Financing Sources	
Proceeds from capital lease	<u><u>\$ 889,464</u></u>

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
DETAIL SCHEDULE OF EXPENDITURES AND TRANSFERS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

Instruction	
Salaries	\$ 6,422,243
Employee benefits	3,071,563
Purchased services	250,465
Supplies and materials	229,803
Capital outlay	84,096
Other	26,546
	<hr/>
Total Instruction	<u>\$ 10,084,716</u>
 Instructional Support	
Salaries	\$ 1,266,563
Employee benefits	431,701
Purchased services	160,941
Supplies and materials	60,470
Capital outlay	388,668
Other	338
	<hr/>
Total Instructional Support	<u>\$ 2,308,681</u>
 General Support	
Salaries	\$ 2,225,655
Employee benefits	1,250,834
Purchased services	566,883
Supplies and materials	1,098,579
Capital outlay	1,067,474
Other	22,303
	<hr/>
Total General Support	<u>\$ 6,231,728</u>
 Operating Transfers Out	
Transfers to Agency Fund	\$ 19,998
Transfers to Food Service Enterprise Fund	240,000
	<hr/>
Total Operating Transfers Out	<u>\$ 259,998</u>

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass-through Grantor/ Program Title	Catalog of Federal Domestic Assistance Number	Award Year	Expenditures
U.S. Department of Education:			
Passed through Wyoming Department of Education:			
Title I	84.010A	131601T1A00 121601T1A00 111601T1A00	\$ 288,135 186,168 15,244
Vocational Education	84.048A	131601VEA00 121601VEA00	25,781 9,615
Special Education - Preschool	84.173A	131601VIBP00 121601VIBP00	1,525 807
Special Education	84.027A	131601VIB00 121601VIB00	138,820 163,151
Improving Teacher Quality	84.367A	131601T2A00 121601T2A00 111601T2A00	24,627 164,074 52,956
Total U.S. Department of Education			1,070,903
U.S. Department of Agriculture:			
Passed through Wyoming Department of Education:			
National School Lunch Program	10.555	N/A	140,845
National School Lunch Program - Commodities		N/A	16,307
Total U.S. Department of Agriculture			157,152
TOTAL FEDERAL AWARDS			\$ 1,228,055

See accompanying notes to schedule of expenditures of federal awards.

PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Note 1. General

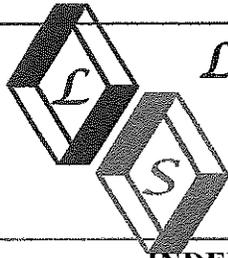
The schedule of expenditures of federal awards presents the activity of all federal award programs of Platte County School District Number One. The District reporting entity is defined in Note 1 to the District's basic financial statements. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other governmental agencies are included on the schedule. Of the federal expenditures presented in the schedule, the District provided no federal awards to subrecipients.

Note 2. Basis of Accounting

The schedule of expenditures of federal awards was prepared using the same basis of accounting used in preparation of the fund financial statements from which the information was derived as described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 3. Commodities

Nonmonetary assistance, such as food received from the United States Department of Agriculture, is reported as revenue, at fair market value, on the date received by the District.



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**INDEPENDENT AUDITORS' 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
Platte County School District Number One
Wheatland, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Platte County School District Number One (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Platte County School District Number One's basic financial statements and have issued our report thereon dated November 19, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Platte County School District Number One'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 Platte County School District Number One's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2013-1 to be material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Platte County School District Number One's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

Roxy L. Skogen, CPA, CFE

Michael J. Cometto, CPA, CFE

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*.

Platte County School District Number One's Response to Findings

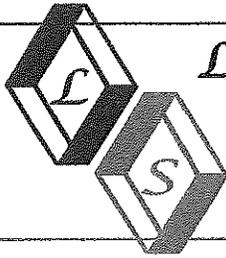
Platte County School District Number One's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Platte County School District Number One's response was not subjected to the auditing procedures applied in the audit of the financial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

Purpose of this Report

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

Lovelett, Skogen & Associates, P.C.

Casper, Wyoming
November 19, 2013



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133**

To the Board of Trustees
Platte County School District Number One
Wheatland, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Platte County School District Number One's (District) 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 Platte County School District Number One's major federal programs for the year ended June 30, 2013. Platte County School District Number One's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Platte County School District Number One'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 Platte County School District Number One'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 Platte County School District Number One's compliance.

Opinion on Each Major Federal Program

In our opinion, Platte County School District Number One, 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.

Roxy L. Skogen, CPA, CFE

Michael J. Cometto, CPA, CFE

Report on Internal Control over Compliance

Management of Platte County School District Number One is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Platte County School District Number One's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Platte County School District Number One'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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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 Platte County School District Number One (District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated November 19, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Lovelett, Skogen & Associates, P.C.

Casper, Wyoming
November 19, 2013

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 § .505
FOR THE YEAR ENDED JUNE 30, 2013**

1. SUMMARY OF AUDITORS' RESULTS

(d)(1)(i)	Type of auditors' report issued?	Unqualified
(d)(1)(ii)	Were there any material weaknesses in internal control noted at the financial statement level?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control noted at the financial statement level that are not considered to be material weaknesses?	No
(d)(1)(iii)	Was there any material non compliance noted at the financial statement level?	No
(d)(1)(iv)	Were there any material weaknesses in internal control noted for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control noted for major federal programs that are not considered to be material weaknesses?	No
(d)(1)(v)	Type of major programs' compliance opinion?	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vi)	Are there known questioned costs reported under § .510?	No
(d)(1)(vii)	Major Programs (list):	
	Name of Federal Program or Cluster	CFDA Numbers
	Title I Grants	84.010
	Improving Teacher Quality	84.367
	National School Lunch Program	10.555
(d)(1)(viii)	Dollar threshold: Type A/B programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low risk auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

2013-1

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Finding:

**Finding 2013-1: Monitoring
Material Weakness**

Criteria: Internal control is a process, affected by the District's Board of Trustees, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) reliability of its financial reporting, (b) effectiveness and efficiency of operations, and (c) compliance with applicable laws and regulations.

Internal control consists of five interrelated components:

- Control environment
- Risk assessment
- Control activities
- Information and communication
- Monitoring

Condition: During the audit of early retirement liability it was noted that 24 employees were offered and accepted early retirement in February and March of 2012. The liability of \$2,417,467 was not recorded in the financial statements at June 30, 2012. During the audit of the Wyoming Bridges Grant it was noted that the receivable for June 30, 2012 of \$47,233 was not recorded.

Effect: A prior period adjustment in the amount of \$2,417,467 was needed to properly reflect the early retirement liability at June 30, 2012. The financial statements as originally presented were materially in error. A prior period adjustment of \$47,233 was needed to properly reflect the Wyoming Bridges Grant receivable at June 30, 2012.

Recommendation: The District should carefully review their receivables and liabilities at year end to ensure they are complete and accurate.

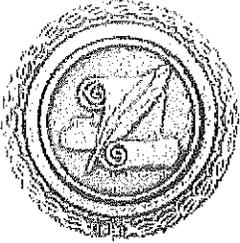
**PLATTE COUNTY SCHOOL DISTRICT NUMBER ONE
RESOLUTION OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Finding:

**Finding 2012-1: Financial Statement Presentation and Disclosure
Material Weakness**

Condition: Preparation of Financial Statements in accordance with Generally Accepted Accounting Principles (GAAP) – As noted in our report, a deficiency is a condition that adversely affects the District’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles. As part of the audit, management has requested us to prepare a draft of your financial statements, including the related notes to financial statements, similar to prior years. Management has reviewed, approved and accepted responsibility for those financial statements prior to their issuance. However, to facilitate cash basis reporting as mandated by the Wyoming Department of Education, management does not have the GAAP knowledge and experience to review the work in such a manner that the District’s controls would prevent or detect a material misstatement. A material misstatement includes a departure from generally accepted accounting principles as applied to governmental units by the Governmental Accounting Standards Board, which can include omission of required financial statement disclosures.

Resolution: Finding was corrected in current year by management taking an active role in reviewing of financial report, preparation of a disclosure checklist, active education on accounting standards that pertain to the District’s financial statements.



Platte County School District Number One

Dennis Flecher, Superintendent
Chugwater / Glendo / Wheatland

1350 Oak Street, Wheatland, Wyoming 82201

Phone 307/322-3175 / FAX 322-2084

November 19, 2013

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104 South Wolcott, Suite 735
Casper, Wyoming 82601

Management response to Finding 2013-1: Financial Statement Presentation and Finding per the audit for June 30, 2013 for Platte County School District Number One.

Management takes the finding stated in the audit for the year ending June 30, 2013 seriously and will proceed to look at changes that could reduce the material weakness of monitoring receivables and liabilities.

The management will prepare a list of normal or possible receivables and liabilities. This list will be used to compare items reported at year end to help insurance that all receivables and liabilities are recorded.

If a non-normal transaction accrues during the year a list will be used to determine if this transaction would cause possible receivables or liabilities for future years.

Platte County School District Number One management will be addressing the finding reported under the audit for June 30, 2013 over the coming months of the current year.

Platte County School District Number One

A handwritten signature in black ink, appearing to read "William L. Templar", written over a horizontal line.

William L. Templar
Business Manager