



**PLATTE COUNTY SCHOOL
DISTRICT NO. 2**

FINANCIAL REPORT

JUNE 30, 2013



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

Certified Public Accountants

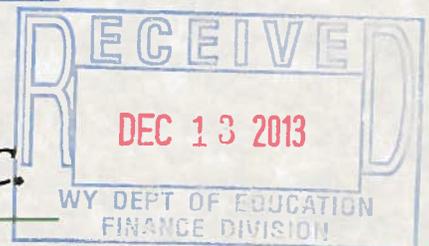
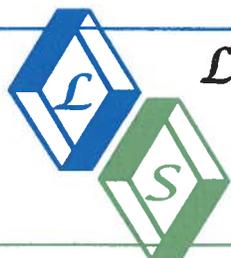


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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Platte County School District No. 2
Guernsey, 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 No. 2 (District), as of and for the year ended June 30, 2013, 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 an opinion 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 opinion.

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 Platte County School District No. 2, 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 on pages 4 through 13 and budgetary comparison information on pages 40 through 42, 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 No. 2's basic financial statements as a whole. The combining nonmajor fund financial statements and individual fund schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2013, on our consideration of Platte County School District No. 2'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 Platte County School District No. 2'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 Board of Trustees and should not be used or relied upon by any other party for any purpose. Additional users of these financial statements 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
December 9, 2013

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

The discussion and analysis of the School District's financial performance provides an overall narrative of the School District's financial activities for the year ended June 30, 2013. The intent of this discussion and analysis is to look at the School District's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the School District's financial performance. To the extent this discussion contains any forward-looking statements of the School District's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

This discussion and analysis is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented.

FINANCIAL HIGHLIGHTS

For the year ended June 30, 2012 we had one major building improvement project. There were no large projects for the year ended June 30, 2013. The District in collaboration with the School Facilities Department has prioritized building and grounds improvement projects which will enhance learning opportunities and extend the life of the current infrastructure. The SFC reimburses 100% for all approved Minor and Major Capital projects. In addition, we receive funding based on ADM and building square footage for approved deferred maintenance projects.

1. The District's 3 year enrollment was down by 17 students. This in turn resulted in a decrease in funding per ADM of \$135,000. Net changes in prior year transportation and special education increased funding by \$38,120.
2. Our total revenues were down from the prior year by \$155,000. In addition to our decreased funding in the foundation program, we also were down in contributions by \$68,500. Interest revenue decreased by \$4,000. Cash carry over was up from the prior year. With all of these funding changes, the net result was a \$155,000 reduced budget.
3. Due to the net loss in funding the District made significant changes to the health insurance benefits. Deductibles were increased from \$1,000 to \$1,500 for a savings of \$56,000. We were able to continue to fund 100% coverage of health insurance premiums due to the change in deductible and provide an HRA to all full time employees in the amount of \$500 and a partial year benefit of \$250 because the health plan changed in July. Certified staff received a raise of \$500 on the base and movement on the schedule. Classified staff received movement on the schedule. The salary and benefit increases were \$61,000 for the year. With retirements and administrative changes the net salary cost was \$27,000.
4. All major renovation projects were completed in the prior year so we were able to reduce the expenditure budget by \$64,000. In addition we were able to decrease our staff development budget by \$99,500 due to completed contracts with TIE.
5. The District continues to update our technology. New computers were purchased for elementary students to keep up with the ever changing technology used in teaching and assessment. The District made major purchases of assessment software for all levels including Apex, Ascend & Compass Learning to access student growth and areas of weakness.

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances, in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities. Consequently, these statements represent a summary of the activity of the various funds of the School District in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when incurred.

The statement of net position presents information on all the School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the School District that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fee and charges (business-type activities). The governmental activities of the School District include regular and special education, support services, general administration, transportation, capital outlay and maintenance.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School District can be divided into three categories: governmental, fiduciary and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the School District's current financing requirements. Governmental funds are reported using the modified accrual basis of accounting. The governmental fund financial statements provide a detailed short-term view of the School District's operations.

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School District's current financing decisions.

The School District maintains individual governmental funds as required by state law, bond covenants or to control and manage money for particular purposes or to show that it is properly using certain revenues. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

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 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.

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.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources accumulated and payments made for the acquisition and improvement 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. Revenue of the fund consists of major and minor construction funds from the Wyoming School Facilities Commission.

The governmental fund financial statements can be found on pages 16 – 19 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. These funds are not reflected in the government-wide financial statements because resources of those funds are not available to support the School District's own programs. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

The Student Activities Fund is the District's only fiduciary fund. The statement of fiduciary net position can be found on page 23 of this report.

Proprietary Funds - Proprietary funds are used to account for the School District's business-type activities. Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

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 and government subsidized meal costs and food commodities.

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

The proprietary fund financial statements can be found on pages 20 – 22 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 24 – 39 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information.

Combined statements of revenues, expenditures and changes in fund balances - budget and actual and individual fund statements of revenues, expenditures and changes in fund balances - budget and actual are presented for purposes of additional analysis.

Required supplementary information can be found on pages 40 – 43 of this report. Other supplementary information can be found on pages 44 – 49 of this report.

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Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

Major Features of the Government-wide and Fund Financial Statements

Fund Financial Statements

	Government-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 Fund, Major Maintenance, Grant Programs and Other Governmental funds are reported here</u>	Activities the District operates similar to private business <u>Food Service Fund is reported here</u>	Assets held by the District on behalf of someone else <u>Student Activities that have funds on deposit with the District are reported here</u>
Required Financial Statements	(1) Statement of Net Position and (2) Statement of Activities	Balance sheet and Statement of revenues, expenditures and changes in fund balance	Statement of net position, and Statement of revenues, expenses, and changes in net position, and Statement of cash flows	Statement of 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 the 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 No. 2
Management's Discussion and Analysis (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>6/30/13</u>	<u>6/30/12</u>	<u>Change</u>
Assets:			
Current and other assets	\$1,819,964	\$1,619,114	\$200,850
Capital assets, net	4,913,527	5,358,744	(445,217)
Total assets	<u>6,733,491</u>	<u>6,977,858</u>	<u>(244,367)</u>
Liabilities:			
Current liabilities	204,946	220,447	(15,501)
Long-term liabilities	<u>86,637</u>	<u>103,133</u>	<u>(16,496)</u>
Total liabilities	<u>291,583</u>	<u>323,580</u>	<u>(31,997)</u>
Net Position:			
Net investment in capital assets	4,873,294	5,357,579	(484,285)
Restricted	253,100	57,481	195,619
Unrestricted	<u>1,315,514</u>	<u>1,239,218</u>	<u>(76,296)</u>
Total net position	<u>\$6,441,908</u>	<u>\$6,654,278</u>	<u>\$(212,370)</u>

Net assets may serve over time as a useful indicator of government's financial position. In the case of the School District, assets exceeded liabilities as of June 30, 2013 and 2012 by \$6,441,908 and \$6,654,278, respectively. This change was due to depreciation along with minimal individual capital asset purchases above \$5,000.

Long-term liabilities of the District consist of capital leases and accrued compensated absences.

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Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

Government-wide Results of Operations and Changes in Net Position

	Governmental Activities 2013	Business-Type Activities 2013	Total 2013	Governmental Activities 2012	Business-Type Activities 2012	Total 2012	% Change
Revenues							
Program Revenue							
Charges for Services	\$ 18,471	\$ 41,092	\$ 59,563	\$ 17,356	\$ 39,313	\$ 56,669	5%
Operating and Capital Grants	366,927	54,540	421,467	509,332	55,880	565,212	-25%
General Revenue							
Property Taxes	1,237,838	-	1,237,838	1,036,104	-	1,036,104	19%
Unrestricted Federal and State Aid	3,827,744	-	3,827,744	3,992,701	-	3,992,701	-4%
Miscellaneous	5,671	-	5,671	2,885	-	2,885	97%
Earnings on Investments	15,558	93	15,651	19,267	170	19,437	-19%
Total Revenues	5,472,209	95,725	5,567,934	5,577,645	95,363	5,673,008	-2%
Program Expenses							
Instruction	3,368,984	-	3,368,984	3,388,934	-	3,388,934	-1%
Support Services							
Students and Instructional Staff	726,732	-	726,732	843,198	-	843,198	-14%
Board of Education, Admin, Fiscal and Business	793,465	-	793,465	823,624	-	823,624	-4%
Operation and Maintenance of Facilities	476,930	-	476,930	519,521	-	519,521	-8%
Pupil Transportation	153,382	-	153,382	143,451	-	143,451	7%
Other Support Services							
Food Service	-	163,649	163,649	-	160,396	160,396	2%
Other	97,162	-	97,162	87,565	-	87,565	11%
Total Expenses	5,616,655	163,649	5,780,304	5,806,293	160,396	5,966,689	-3%
Deficiency before Transfers	(144,446)	(67,924)	(212,370)	(228,648)	(65,033)	(293,681)	-28%
Transfers	(55,000)	55,000	-	(50,000)	50,000	-	-10%
Decrease in Net Position	\$ (199,446)	\$ (12,924)	\$ (212,370)	\$ (278,648)	\$ (15,033)	\$ (293,681)	-28%

The School District's total revenues for the fiscal year ended June 30, 2013, were \$5,472,209 which was a 2% decrease from the prior year. This was due mainly to the change in state funding, from loss of enrollment. 88% of current year revenues were general revenues, made up primarily of property taxes, intergovernmental taxes and investment income, compared to 89% in the prior year.

The total cost of all programs was \$5,616,655 which was a 3% decrease from the prior year.

The statement of activities reflects the cost of program services and charges for services, operating, and capital grants offsetting those services. The net cost of governmental activities is financed by general revenues. The total cost of services and the net cost of services for governmental activities were as follows:

	Total Cost 2013	Net Cost 2013
Instruction	\$3,368,984	\$3,102,591
Support Services		
Students and Instructional Staff	726,732	626,081
Board of Education, Admin, Fiscal and Business	793,465	792,288
Operation and Maintenance of Facilities	476,930	476,643
Pupil Transportation	153,382	153,382
Other Support Services	97,162	80,272
Total	\$5,616,655	\$5,231,257

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities

The business-type activity is comprised of food services. Although the Food Service Fund is intended to be a self-supporting fund, that is not always the case. An operating transfer from the General Fund in the amount of \$55,000 was required for the fiscal year ending June 30, 2013.

BUDGETARY HIGHLIGHTS

1. Base Salaries were increased by \$500. Classified staff received raises of approximately 2%. The salary package increases for the year were \$61,000.
2. Salaries and benefits comprise 80% of the School's budget.
3. Staff development from prior years prepared staff for the implementation of various assessment tools to include major assessment software purchases.

General Fund revenues did not vary significantly from budgeted amounts. In the General Fund interest on investments was below budgeted in the amount of \$14,655. General Fund expenditures were \$574,720 less than budgeted amounts. This is a result of the District's efforts to reduce expenditures in response to declining enrollment.

Major Maintenance expenditures were at a minimum this year as compared to prior year expenditure amounts resulting an increase in the reserves in this fund of \$209,978. We will continue to make improvements including a new roof within the next 2 years. We should receive \$197,555 in July of 2013.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the School District's governmental funds is to provide information on current revenues, expenses and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

The financial performance of the school District as a whole is reflected in its governmental funds. As the School District completed the year, its governmental funds reported a combined fund balance of \$1,654,853. This was an increase of 16% from the prior year. This was due mostly to funds received for major maintenance in the amount of \$225,253 that were not expended in the current year. Expenditures for the year were \$20,865.

The General Fund is the principal operating fund of the School District. The increase in fund balance in the general fund for the fiscal year was \$35,547. The fund balance of the remaining governmental funds reflected an increase of \$204,990 from major maintenance funds not expended.

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Prior year comparison of the major funds is as follows:

General Fund			
	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues:			
Local and County sources	\$ 948,497	\$ 907,086	\$ 41,411
State sources	3,827,744	3,992,701	(164,957)
Interest	14,655	18,519	(3,864)
Total Revenues	<u>4,790,896</u>	<u>4,918,306</u>	<u>(127,410)</u>
Expenditures:			
Instruction	2,683,894	2,621,081	62,813
Support Services			
Students and Instructional Staff	616,186	714,477	(98,291)
Board of Education, Admin, Fiscal and Business	795,128	839,975	(44,847)
Operation and Maintenance of Facilities	463,288	525,775	(62,487)
Pupil Transportation	124,418	125,976	(1,558)
Other Supporting Services	12,435	18,012	(5,577)
Total Expenditures	<u>4,695,349</u>	<u>4,845,296</u>	<u>(149,947)</u>
Excess before Transfers	95,547	73,010	22,537
Sale of capital assets	-	919	(919)
Capital lease proceeds	-	-	-
Transfers	(60,000)	(50,000)	(10,000)
Increase in Fund Balance	<u>\$ 35,547</u>	<u>\$ 23,929</u>	<u>\$ 11,618</u>
Grant Programs			
	<u>2013</u>	<u>2012</u>	<u>Change</u>
Revenues			
State sources	\$ 81,630	\$ 93,727	\$ (12,097)
Federal sources	285,297	347,105	(61,808)
Total	<u>366,927</u>	<u>440,832</u>	<u>(73,905)</u>
Expenditures:			
Instruction	265,256	319,035	(53,779)
Support Services			
Students and Instructional Staff	99,022	120,072	(21,050)
Board of Education, Admin, Fiscal and Business	1,177	839	338
Other Supporting Services	1,472	886	586
Capital outlay	-	-	-
Total Expenditures	<u>366,927</u>	<u>440,832</u>	<u>(73,905)</u>
Increase (Decrease) in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Platte County School District No. 2
Management's Discussion and Analysis (Unaudited)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (CONTINUED)

Major Maintenance			
	2013	2012	Change
Revenues			
State sources	\$ 225,253	\$ 138,773	\$ 86,480
Interest	602	103	
Total	225,855	138,876	86,480
Expenditures:			
Capital outlay	20,865	134,694	(113,829)
Total Expenditures	20,865	134,694	(113,829)
Increase in Fund Balance	\$ 204,990	\$ 4,182	\$ 200,309

FACTORS BEARING ON THE SCHOOL DISTRICT

Legislative Funding Model:

During the 2006 legislative session the state implemented a brand new funding model. We have now completed the sixth year of the model which, for the most part, was positive for the school district. One downfall is the inherent instability in funding due to our declining enrollment. During the 2011 legislative session after many meetings, studies and discussions, a recalibrated model was approved to take affect for the 2011/2012 school year. The largest adjustment that affected our school district was the inclusion of a small district teacher adjustment which affected our 2011/2012 funding year. This amounted to approximately \$73,000. Working with the Department of Education and the Legislature we hope to keep improving the model. In the model, declining enrollment can cause some cliffs for schools, especially small schools like ours. The Small District Teacher adjustment has helped to address this issue. After several years of declining enrollment, the district forecasts enrollment increases in the near future. We have made cuts where feasible including administrative reductions and early retirements. We have limited spending increases, for the most part, to one time purchases so as not to tie up the revenue stream with ongoing expenditures. Strategic planning continues to look for the best way to offer a quality education with limited resources. We are monitoring closely the continued attempts to adjust the model post recalibration.

School Improvement continues to be a high priority. Using research based strategies there has been much time and effort spent on curriculum development, student and staff engagement strategies, and personalized teaching strategies to improve learning and the learning environment. There has been a major emphasis, with the help of Title IIA funds in the current year and into next fiscal year, for the District to implement systems to aide in hiring, evaluating and retaining the best qualified staff to instruct and prepare our students to be able to compete and flourish in the ever changing world about them.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

The financial report is designed to provide the School District's citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the money it receives. If you have question about this report or need additional information, contact the Business Manager's Office, Platte County School District No. 2, 555 South Wyoming, Guernsey, Wyoming 82214.

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

PLATTE COUNTY SCHOOL DISTRICT NO. 2
STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and short-term investments	\$ 1,692,874	\$ 1,043	\$ 1,693,917
Cash with fiscal agent	87,431	-	87,431
Receivables:			
Property taxes	7,260	-	7,260
Other governments, grants	24,808	-	24,808
Inventories and prepaid expenses	2,606	3,942	6,548
Capital assets:			
Land and construction in progress	21,901	-	21,901
Other capital assets, net of accumulated depreciation	4,891,626	-	4,891,626
Total assets	<u>6,728,506</u>	<u>4,985</u>	<u>6,733,491</u>
Liabilities:			
Accounts payable	13,854	-	13,854
Accrued salaries	146,272	493	146,765
Current portion of long-term obligations	44,327	-	44,327
Noncurrent portion of long-term obligations	86,637	-	86,637
Total liabilities	<u>291,090</u>	<u>493</u>	<u>291,583</u>
Net Position:			
Net investment in capital assets	4,873,294	-	4,873,294
Restricted for:			
BOCES	7,705	-	7,705
Major maintenance	209,978	-	209,978
Parks and recreation	35,417	-	35,417
Unrestricted	1,311,022	4,492	1,315,514
Total net position	<u>\$ 6,437,416</u>	<u>\$ 4,492</u>	<u>\$ 6,441,908</u>

See accompanying notes to financial statements.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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	\$ 2,552,980	\$ -	\$ 8,490	\$ -
Special education	651,895	-	255,137	-
Adult education	33,262	2,766	-	-
Vocational education	130,847	-	-	-
Supporting services:				
Students	385,826	-	15,401	-
Instructional staff	340,906	-	85,250	-
Central services	130,362	-	1,177	-
School administration	234,934	-	-	-
Business services	191,453	-	-	-
Operation and maintenance of facilities	476,930	287	-	-
Pupil transportation	153,382	-	-	-
General administration	236,716	-	-	-
Community	71,112	15,418	1,472	-
Other	26,050	-	-	-
Total Governmental Activities	<u>5,616,655</u>	<u>18,471</u>	<u>366,927</u>	<u>-</u>
Business-Type Activities:				
Food service	<u>163,649</u>	<u>41,092</u>	<u>54,540</u>	<u>-</u>
Total District	<u>\$ 5,780,304</u>	<u>\$ 59,563</u>	<u>\$ 421,467</u>	<u>\$ -</u>

General revenues:

Property taxes levied for:
 BOCES
 General purposes
 Major maintenance
 Parks and recreation
Federal and state aid not restricted to specific purposes
 State Foundation Program
 Other state sources
Miscellaneous
Earnings on investments
Transfers
Total general revenues and transfers

Change in net position

Net position - beginning as originally presented
Prior period adjustment
Net position - beginning
Net position - ending

Net (Expenses) Revenue and Changes in Net Position		
Total Governmental Activities	Business-Type Activities	Total
\$ (2,544,490)	\$ -	\$ (2,544,490)
(396,758)	-	(396,758)
(30,496)	-	(30,496)
(130,847)	-	(130,847)
(370,425)	-	(370,425)
(255,656)	-	(255,656)
(129,185)	-	(129,185)
(234,934)	-	(234,934)
(191,453)	-	(191,453)
(476,643)	-	(476,643)
(153,382)	-	(153,382)
(236,716)	-	(236,716)
(54,222)	-	(54,222)
(26,050)	-	(26,050)
(5,231,257)	-	(5,231,257)
-	(68,017)	(68,017)
(5,231,257)	(68,017)	(5,299,274)
28,056	-	28,056
942,539	-	942,539
225,253	-	225,253
41,990	-	41,990
3,824,783	-	3,824,783
2,961	-	2,961
5,671	-	5,671
15,558	93	15,651
(55,000)	55,000	-
5,031,811	55,093	5,086,904
(199,446)	(12,924)	(212,370)
6,692,412	17,416	6,709,828
(55,550)	-	(55,550)
6,636,862	17,416	6,654,278
\$ 6,437,416	\$ 4,492	\$ 6,441,908

**FUND
FINANCIAL STATEMENTS**

PLATTE COUNTY SCHOOL DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	Major Funds		
	General	Major Maintenance	Grant Programs
Assets:			
Cash and short-term investments	\$ 1,441,940	\$ 209,660	\$ -
Cash with fiscal agent	83,660	-	-
Receivables:			
Property taxes	7,260	-	-
Other governments, grants	-	-	22,048
Internal balances	17,700	318	(19,379)
Inventories and prepaid expenses	2,606	-	-
Total assets	<u>\$ 1,553,166</u>	<u>\$ 209,978</u>	<u>\$ 2,669</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 11,185	\$ -	\$ 2,669
Accrued salaries and benefits	141,589	-	-
Total liabilities	152,774	-	2,669
Fund Balances:			
Nonspendable for:			
Inventories and prepaid expenses	2,606	-	-
Restricted for:			
Major maintenance	-	209,978	-
BOCES	-	-	-
Parks and recreation	-	-	-
Unrestricted:			
Assigned for:			
Capital projects	-	-	-
Operation shortfall reserve	801,322	-	-
Unassigned, reported in:			
General fund	596,464	-	-
Total fund balances	<u>1,400,392</u>	<u>209,978</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,553,166</u>	<u>\$ 209,978</u>	<u>\$ 2,669</u>

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 41,274	\$ 1,692,874
3,771	87,431
-	7,260
2,760	24,808
1,361	-
-	2,606
<u>\$ 49,166</u>	<u>\$ 1,814,979</u>
\$ -	\$ 13,854
4,683	146,272
4,683	160,126
-	2,606
-	209,978
7,705	7,705
35,417	35,417
1,361	1,361
-	801,322
-	596,464
<u>44,483</u>	<u>1,654,853</u>
<u>\$ 49,166</u>	<u>\$ 1,814,979</u>

**PLATTE COUNTY SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Total fund balances for governmental funds \$ 1,654,853

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	\$	21,901	
Buildings and improvements, net of \$4,121,863 accumulated depreciation		4,444,892	
Equipment and contents, net of \$1,537,706 accumulated depreciation		169,082	
Leased equipment, net of \$46,008 accumulated depreciation		37,643	
Transportation equipment, net of \$327,160 accumulated depreciation		240,009	4,913,527

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	\$	(40,233)	
Compensated absences		(90,731)	(130,964)

Total net position of governmental activities \$ 6,437,416

PLATTE COUNTY SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Major Funds		
	General	Major Maintenance	Grant Programs
Revenues:			
Local sources	\$ 704,466	\$ -	\$ -
County sources	244,031	-	-
State sources	3,827,744	225,253	81,630
Federal sources	-	-	285,297
Interest	14,655	602	-
Total revenues	4,790,896	225,855	366,927
Expenditures:			
Current:			
Instructional services:			
Regular instruction	2,163,579	-	8,490
Special education	396,581	-	255,137
Adult education	-	-	-
Vocational education	123,734	-	-
Supporting services:			
Students	360,456	-	15,401
Instructional staff	255,730	-	85,250
Central services	134,735	-	1,177
School administration	238,228	-	-
Business	185,449	-	-
Operation and maintenance of facilities	463,288	-	-
Pupil transportation	124,418	-	-
General administration	236,716	-	-
Other supporting services	12,435	-	-
Community services	-	-	1,472
Capital outlay	-	20,865	-
Total expenditures	4,695,349	20,865	366,927
Excess of revenues over (under) expenditures	95,547	204,990	-
Other financing uses:			
Transfers	(60,000)	-	-
Total other financing uses	(60,000)	-	-
Net change in fund balance	35,547	204,990	-
Fund balances - beginning	1,364,845	4,988	-
Fund balances - ending	\$ 1,400,392	\$ 209,978	\$ -

See accompanying notes to financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 86,630	\$ 791,096
-	244,031
1,600	4,136,227
-	285,297
301	15,558
<u>88,531</u>	<u>5,472,209</u>
-	2,172,069
-	651,718
33,262	33,262
-	123,734
-	375,857
-	340,980
-	135,912
-	238,228
-	185,449
-	463,288
-	124,418
-	236,716
-	12,435
69,640	71,112
-	20,865
<u>102,902</u>	<u>5,186,043</u>
<u>(14,371)</u>	<u>286,166</u>
<u>5,000</u>	<u>(55,000)</u>
<u>5,000</u>	<u>(55,000)</u>
<u>(9,371)</u>	<u>231,166</u>
<u>53,854</u>	<u>1,423,687</u>
<u>\$ 44,483</u>	<u>\$ 1,654,853</u>

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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 \$ 231,166

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	\$ 20,865	
Depreciation expense	<u>(466,082)</u>	(445,217)

In the statement of activities, certain operating expenses - compensated absences (vacation, sick, and personal leave) - 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 the current year, accrued compensated absences increased. (1,877)

The governmental funds report capital lease proceeds as financing sources, while repayment of capital leases are reported as expenditures. 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 capital leases and related items is as follows:

Payments on capital leases		<u>16,482</u>
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Net change in net position of governmental activities		<u><u>\$ (199,446)</u></u>
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PLATTE COUNTY SCHOOL DISTRICT NO. 2
STATEMENT OF FUND NET POSITION
PROPRIETARY FUND
JUNE 30, 2013

	<u>Enterprise Fund</u>
Assets:	
Current assets:	
Cash and investments	\$ 1,043
Inventories	3,942
Total current assets	<u>4,985</u>
Capital assets:	
Equipment	64,250
Accumulated depreciation	<u>(64,250)</u>
Net capital assets	<u>-</u>
Total assets	<u>4,985</u>
Liabilities:	
Current liabilities:	
Accrued salaries	<u>493</u>
Total liabilities	<u>493</u>
Net position:	
Unrestricted	<u>4,492</u>
Total net position	<u><u>\$ 4,492</u></u>

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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	\$ 41,092
Operating expenses:	
Salaries	70,214
Employee benefits	23,394
Supplies, materials, and purchased services	69,978
Other	63
Depreciation	-
Total operating expenses	163,649
Operating (loss)	(122,557)
Nonoperating income:	
Federal sources	49,177
Federal commodities support	5,363
Interest	93
Total nonoperating income	54,633
(Loss) before transfers	(67,924)
Transfer in	55,000
Change in net assets	(12,924)
Net position - beginning	17,416
Net position - ending	\$ 4,492

See accompanying notes to financial statements.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from lunch sales	\$ 41,092
Payments to suppliers	(64,267)
Payments to and on behalf of employees	(93,608)
	<u>(116,783)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants received	49,663
Operating transfers in from other funds	55,000
	<u>104,663</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	93
	<u>93</u>
Net decrease in cash and cash equivalents	(12,027)
Cash and cash equivalents - beginning	<u>13,069</u>
Cash and cash equivalents - ending	<u><u>\$ 1,042</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (122,557)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Federal commodities support	5,363
Decrease in inventory	411
	<u>5,774</u>
Net cash used in operating activities	<u><u>\$ (116,783)</u></u>

**FIDUCIARY FUND
FINANCIAL STATEMENT**

PLATTE COUNTY SCHOOL DISTRICT NO. 2
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2013

	<u>Student Activities Fund</u>
Assets:	
Cash and investments	\$ 64,245
Total assets	<u>\$ 64,245</u>
Liabilities:	
Due to student groups	\$ 64,245
Total liabilities	<u>\$ 64,245</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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 No. 2. 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 the relationship with the primary government are such that its 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. Accordingly, Tri-City Parks and Recreation District is presented as a blended component unit.

NATURE OF OPERATIONS

The operations of the District consist of providing educational services to the residents of the Town of Guernsey, Wyoming. The District operates under a locally elected five-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 NO. 2
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 NO. 2
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 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.

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:

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

BOCES Fund– The BOCES Fund is a Central Wyoming Board of Cooperative Educational Services Fund used to account for resource to meet the educational needs of high school students through cooperative articulated programs in technical and academic areas where students earn college credit while still enrolled in high school.

Parks and Recreation Fund – The Tri-City Parks and Recreation District Fund is a blended component unit used to account for financial resources to be used specifically for the maintenance of the parks.

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 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.

SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Platte County School District No. 2 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. The District applies all Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements to its financial statements.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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 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 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 deferred 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.

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.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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. Deferred 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. 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.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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 May 11th each year.

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) Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amount 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 maintained a capitalization policy in which assets with a cost of \$5,000 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 incurred during the construction of capital assets utilized by the enterprise funds is also capitalized.

**PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

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

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 – 10 years	7 years
Transportation equipment	9 – 15 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 vacation leave at the rate of two weeks per year for the first five years of employment, three weeks for employees with five to ten years of service, and four weeks thereafter. Teachers are on a 185 day contract and therefore do not accrue vacation. At June 30, 2013, the District has \$49,763 for accrued vacation leave.

All employees accrue ten to twelve sick days per year up to a maximum of ninety days. Certified staff members receive \$25 per day for unused sick leave upon termination of employment and classified staff receive \$10 per day. At June 30, 2013, the District has \$40,968 for accrued sick leave.

i) Accrued Liabilities and Long-Term Obligations

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 not recognized as a liability on the governmental fund financial statements when due.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

j) Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through 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.

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.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

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 Director of Business and Finance.

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.

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 an assigned 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.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. 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	\$ 1,693,917
Cash and investments, statement of fiduciary net position	<u>64,245</u>
	<u>\$ 1,758,162</u>
Petty cash	\$ 3,000
Cash in bank	953,840
Money Market Account	<u>801,322</u>
	<u>\$ 1,758,162</u>

The carrying amount of bank deposits at June 30, 2013 is \$1,731,978 and the bank balance is \$1,785,461. The differences between the carrying amount and the bank balances are due to outstanding checks and deposits not yet processed by the bank. Of the book balance, \$534,949 is covered by federal depository insurance and \$1,197,029 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 1.00% at June 30, 2013. Investments in money market accounts are allowed under Wyoming State Statutes. 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.

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PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Capital Assets

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

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not being depreciated					
Land	\$ 21,901	\$ -	\$ -	\$ -	\$ 21,901
Construction in progress	-	-	-	-	-
Total capital assets, net being depreciated	21,901	-	-	-	21,901
Capital assets, being depreciated:					
Buildings and improvements	8,556,790	9,965	-	-	8,566,755
Equipment and contents	1,695,888	10,900	-	-	1,706,788
Equipment under capital lease	83,651	-	-	-	83,651
Transportation equipment	567,169	-	-	-	567,169
Total capital assets, being depreciated	10,903,498	20,865	-	-	10,924,363
Accumulated depreciation for:					
Buildings and improvements	(3,773,327)	(348,536)	-	-	(4,121,863)
Equipment and contents	(1,479,582)	(58,124)	-	-	(1,537,706)
Equipment under capital lease	(29,278)	(16,730)	-	-	(46,008)
Transportation equipment	(284,468)	(42,692)	-	-	(327,160)
Total accumulated depreciation	(5,566,655)	(466,082)	-	-	(6,032,737)
Total capital assets, being depreciated, net	5,336,843	(445,217)	-	-	4,891,626
Governmental activities capital assets, net	<u>\$ 5,358,744</u>	<u>\$ (445,217)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,913,527</u>

The beginning balance was restated to correct for an error in the prior year in the amount of \$55,550.

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-type activities:					
Equipment	\$ 64,250	\$ -	\$ -	\$ -	\$ 64,250
Less accumulated depreciation	(64,250)	-	-	-	(64,250)
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

3. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Governmental activities:	
Instructional services	
Regular instruction	\$ 388,421
Vocational education	7,113
Supporting services:	
Students	9,944
Business services	5,945
Operation and maintenance of facilities	11,761
Pupil transportation	28,669
Other	14,229
	<hr/>
Total depreciation expense, governmental activities	<u>\$ 466,082</u>

4. Wyoming Retirement System

Platte County School District No. 2's 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, WY 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 Wyoming Retirement System for the years ending June 30, 2013, 2012, and 2011 were approximately \$380,617, \$385,754 and \$364,103 equal to the required contributions for each year.

5. Deferred Compensation Plan

The District offers its employees a deferred compensation plan that is structured in accordance with the provisions of Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to the employee or their beneficiaries until termination, retirement, death or unforeseeable emergency.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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	\$ 56,715	\$ -	\$ (16,482)	\$ 40,233	\$ 17,325
Compensated absences	88,854	27,830	(25,953)	90,731	27,002
Total governmental activities long-term liabilities	<u>\$ 145,569</u>	<u>\$ 27,830</u>	<u>\$ (42,435)</u>	<u>\$ 130,964</u>	<u>\$ 44,327</u>

As of June 30, 2013, the outstanding long-term indebtedness of the District is as follows:

- a. The liability for employees vested compensated absences and sick leave of \$90,731.
- b. Capital lease obligations of \$40,233. The District leases certain 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. This lease has an imputed interest rate of 5%. The term of the lease is, in effect, a purchase of the related asset.

Interest expense of \$2,462 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	\$ 18,943
2015	18,943
2016	<u>4,736</u>
Total	42,622
Less amount representing interest	<u>(2,389)</u>
Present value of long-term obligations under capital leases	<u>\$ 40,233</u>

7. Fund Equity and Net Position

The District adopted the guidance in GASB Codification Section 1800 which changed the classification of fund balance in governmental funds. The nonspendable fund balance account is summarized below:

Inventories and prepaid expenses – represents a portion of fund balance segregated for future use and are therefore not available for future appropriation or expenditure for general use.

**PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

7. Fund Equity and Net Position (Continued)

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

Grant Programs – to segregate the portion of fund balance/net position resulting from grant proceeds for which the District has met the eligibility requirements and thus recorded the revenue, but has yet to spend the funds on the specific program.

Major Maintenance – to segregate the portion of fund balance/net position to be used for capital outlay expenditures which meet the Wyoming Department of Education’s definition of major maintenance.

BOCES – to segregate the portion of fund balance/net position that is not available for general expenditure or expense but rather restricted for Board of Cooperative Higher Education Services.

Parks and Recreation – to segregate the portion of fund balance/net position that is not available for general expenditure or expense but rather restricted by a specific tax levied for a specific purpose.

Specific assignments of fund balance accounts are summarized below:

Capital Projects – to segregate the portion of fund balance/net position that is not available for general expenditure but rather is assigned for future property, plant, and equipment major repair or replacement.

Operation Shortfall Reserve – to segregate the portion of fund balance that is not available for general expenditure but rather is assigned for future operations.

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

8. 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.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Commitments and Contingencies

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund, or other applicable funds. However, in the opinion of management any such disallowed claims would not have a material adverse effect on the overall financial position of the District as of June 30, 2013.

10. Internal Balances and Activity

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

Transfer To Receiving Fund	Transfer From Paying Fund	Amount
Enterprise Fund	General Fund	\$ 55,000
BOCES Fund	General Fund	\$ 5,000

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.

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

Due to	Due from	Amount
General Fund	Grant Programs	\$ 17,700
Capital Projects	Grant Programs	1,361
Major Maintenance	Grant Programs	318

11. Prior Period Adjustment

The prior year statement of net assets included an overstatement of capital assets and net assets of \$55,550. Construction in process had been completed but the related asset had not been removed. A prior period adjustment was necessary to correct for the error.

REQUIRED SUPPLEMENTARY INFORMATION

PLATTE COUNTY SCHOOL DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE
BUDGET TO ACTUAL (NON-GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Budget - Positive (Negative)
	Original	Amended		
Revenues:				
Local sources	\$ 728,313	\$ 728,313	\$ 713,729	\$ (14,584)
County sources	237,523	237,523	245,606	8,083
State sources	3,816,579	3,816,579	3,827,744	11,165
Interest income	-	-	14,655	14,655
Total revenues	<u>4,782,415</u>	<u>4,782,415</u>	<u>4,801,734</u>	<u>19,319</u>
Expenditures:				
Current:				
Instructional services				
Regular instruction	2,326,367	2,326,367	2,165,098	161,269
Special education	449,108	449,108	396,581	52,527
Vocational education	193,682	193,682	123,734	69,948
Other instruction	-	-	-	-
Supporting services:				
Students	418,207	418,207	360,500	57,707
Instructional staff	288,454	288,454	255,730	32,724
Central services	145,025	145,025	134,190	10,835
School administration	253,347	253,347	237,980	15,367
Business services	251,468	251,468	184,830	66,638
Operation and maintenance of facilities	511,852	511,852	460,319	51,533
Pupil transportation	147,353	147,353	125,809	21,544
General administration	261,321	261,321	237,542	23,779
Other supporting services	23,622	23,622	12,773	10,849
Total expenditures	<u>5,269,806</u>	<u>5,269,806</u>	<u>4,695,086</u>	<u>574,720</u>
Excess of revenues over (under) expenditures	(487,391)	(487,391)	106,648	594,039
Other financing uses:				
Transfers	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>\$ (547,391)</u>	<u>\$ (547,391)</u>	<u>\$ 46,648</u>	<u>\$ 594,039</u>

RECONCILIATION TO THE GAAP BASIS:

Excess (deficiency) of revenues over (under) expenditures and other financing uses	\$ 46,648
Revenue accruals	(12,488)
Expenditure accruals	(263)
Other financing sources accruals	1,650
Net change in fund balance - GAAP Basis	<u>\$ 35,547</u>

**PLATTE COUNTY SCHOOL DISTRICT NO. 2
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 Budget - Positive (Negative)
	Original	Amended		
Revenues:				
State sources	\$ 100,805	\$ 100,805	\$ 88,957	\$ (11,848)
Federal sources	445,332	445,332	296,780	(148,552)
Total revenues	546,137	546,137	385,737	(160,400)
Expenditures:				
Current:				
Instructional services				
Regular instruction	-	-	8,490	(8,490)
Special education	466,138	426,267	269,073	157,194
Supporting services:				
Students	44,611	44,611	15,402	29,209
Instructional staff	15,644	55,515	83,285	(27,770)
Operation and maintenance of facilities	-	-	1,177	(1,177)
Community services	550	550	1,472	(922)
Total expenditures	526,943	526,943	378,899	148,044
Excess of revenues over expenditures	\$ 19,194	\$ 19,194	\$ 6,838	\$ (12,356)

RECONCILIATION TO THE GAAP BASIS:

Excess of revenues over expenditures	\$ 6,838
Revenue accruals	(18,809)
Expenditure accruals	11,971
Net change in fund balance - GAAP basis	<u>\$ -</u>

**PLATTE COUNTY SCHOOL DISTRICT NO. 2
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 Budget - Positive (Negative)
Revenues:			
State sources	\$ 225,253	\$ 225,253	\$ -
Interest income	50	602	552
Total revenues	225,303	225,855	552
Expenditures:			
Capital outlay	225,303	20,865	204,438
Total expenditures	225,303	20,865	204,438
Excess of revenues over expenditures	\$ -	\$ 204,990	\$ 204,990

RECONCILIATION TO THE GAAP BASIS:

Excess of revenues over expenditures	\$ 204,990
Expenditure accruals	-
Net change in fund balance - GAAP basis	<u>\$ 204,990</u>

See accompanying notes to budgetary schedule.

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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 the Grant Program 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.

OTHER SUPPLEMENTAL INFORMATION

PLATTE COUNTY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital Projects	BOCES	Parks and Recreation	Total Nonmajor Funds
Assets:				
Cash and short-term investments	\$ -	\$ 6,325	\$ 34,949	\$ 41,274
Cash with fiscal agent	-	1,257	2,514	3,771
Receivables:				
Other governments, grants	-	123	2,637	2,760
Internal balances	1,361	-	-	1,361
Total assets	<u>\$ 1,361</u>	<u>\$ 7,705</u>	<u>\$ 40,100</u>	<u>\$ 49,166</u>
Liabilities and Fund Balances:				
Liabilities:				
Accrued salaries and benefits	\$ -	\$ -	\$ 4,683	\$ 4,683
Total liabilities	-	-	4,683	4,683
Fund balances:				
Restricted for:				
BOCES	-	7,705	-	7,705
Parks and recreation	-	-	35,417	35,417
Assigned for:				
Capital projects	1,361	-	-	1,361
Total fund balances	<u>1,361</u>	<u>7,705</u>	<u>35,417</u>	<u>44,483</u>
Total liabilities and fund balances	<u>\$ 1,361</u>	<u>\$ 7,705</u>	<u>\$ 40,100</u>	<u>\$ 49,166</u>

PLATTE COUNTY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Capital Projects	BOCES	Parks and Recreation	Total Nonmajor Funds
Revenues:				
Local sources	\$ -	\$ 29,222	\$ 57,408	\$ 86,630
State sources	-	1,600	-	1,600
Interest	-	82	219	301
Total revenues	-	30,904	57,627	88,531
Expenditures:				
Current:				
Instructional services:				
Adult education	-	33,262	-	33,262
Supporting services:				
Community	-	-	69,640	69,640
Total expenditures	-	33,262	69,640	102,902
Excess of revenues over (under) expenditures	-	(2,358)	(12,013)	(14,371)
Other financing sources:				
Operating transfers in	-	5,000	-	5,000
Net change in fund balances	-	2,642	(12,013)	(9,371)
Fund balances - beginning	1,361	5,063	47,430	53,854
Fund balances - ending	<u>\$ 1,361</u>	<u>\$ 7,705</u>	<u>\$ 35,417</u>	<u>\$ 44,483</u>

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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
Instructional Facilitator	N/A	\$ -	\$ -	\$ -
National Certification	N/A	-	-	-
Bridges Grant	N/A	-	-	-
Summer School - FY13	N/A	(10,701)	10,815	114
Summer School - FY12	N/A	(6,862)	7,472	610
Title I - FY13	1316023T1A00	(1,812)	1,812	-
Title I - FY12	1216022T1A00	-	-	-
Title I - FY11	1116022T1A00	(1)	1	-
Title ID - FY13	1316023T1D00	(1)	1	-
Title ID - FY12	1216022T1D00	-	-	-
Title IIA - FY13	1316023T2A00	(1)	1	-
Title IIA - FY12	1216022T2A00	-	-	-
Title VIB - Preschool FY12	1216022T6900	-	-	-
Title VIB - FY13	1316023T6100	-	1,945	1,945
Title VIB - FY12	1216022T6100	-	-	-
Perkins - FY13	1316023VEA00	(1)	1	-
Perkins - FY12	1216022VEA00	-	-	-
Other District Programs		19,379	-	19,379
		<u>\$ -</u>	<u>\$ 22,048</u>	<u>\$ 22,048</u>

LIABILITIES				EQUITY	
Accounts Payable	Accrued Liabilities	Due to Other Funds	Total Liabilities	Fund Equity	Total Liabilities and Fund Equity
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
114	-	-	114	-	114
610	-	-	610	-	610
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,945	-	-	1,945	-	1,945
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	19,379	19,379	-	19,379
\$ 2,669	\$ -	\$ 19,379	\$ 22,048	\$ -	\$ 22,048

PLATTE COUNTY SCHOOL DISTRICT NO. 2
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	
Instructional Facilitator	N/A	\$ -	\$ -	\$ 40,568	\$ 40,568
National Certification	N/A	-	-	4,000	4,000
Bridges Grant	N/A	-	-	-	-
Summer School - FY13	N/A	-	-	10,815	10,815
Summer School - FY12	N/A	-	-	26,247	26,247
Title I - FY13	1316023T1A00	-	10,109	-	10,109
Title I - FY12	1216022T1A00	-	92,599	-	92,599
Title I - FY11	1116022T1A00	-	-	-	-
Title ID - FY13	1316023T1D00	-	28,252	-	28,252
Title ID - FY12	1216022T1D00	-	72,123	-	72,123
Title IIA - FY13	1316023T2A00	-	27,164	-	27,164
Title IIA - FY12	1216022T2A00	-	277	-	277
Title VIB - Preschool FY12	101602AIBP00	-	1,020	-	1,020
Title VIB - FY13	1316023T6100	-	36,251	-	36,251
Title VIB - FY12	1216022T6100	-	12,417	-	12,417
Perkins - FY13	1316023VEA00	-	595	-	595
Perkins - FY12	1216022VEA00	-	4,490	-	4,490
Other District Programs		-	-	-	-
		<u>\$ -</u>	<u>\$ 285,297</u>	<u>\$ 81,630</u>	<u>\$ 366,927</u>

EXPENDITURES

Instruction	Instructional Support	General Support	Community Support	Total Expenditures
\$ -	\$ 40,568	\$ -	\$ -	\$ 40,568
4,000	-	-	-	4,000
-	-	-	-	-
10,815	-	-	-	10,815
25,070	-	-	1,177	26,247
10,109	-	-	-	10,109
91,989	-	610	-	92,599
1	-	-	-	1
28,252	-	-	-	28,252
72,123	-	-	-	72,123
-	27,164	-	-	27,164
-	277	-	-	277
1,020	-	-	-	1,020
14,686	20,800	764	-	36,250
2,701	9,618	98	-	12,417
-	595	-	-	595
4,490	-	-	-	4,490
-	-	-	-	-
<u>\$ 265,256</u>	<u>\$ 99,022</u>	<u>\$ 1,472</u>	<u>\$ 1,177</u>	<u>\$ 366,927</u>

PLATTE COUNTY SCHOOL DISTRICT NO. 2
DETAIL SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

District	
25 Mill district tax	\$ 578,047
Motor vehicle tax	111,949
Car company tax	7,473
Penalties, interest, and other	1,039
Rental, school facilities	287
Sale of capital assets	1,650
Miscellaneous	4,021
	<hr/>
Total District	\$ 704,466
	<hr/> <hr/>
County	
6 Mill county tax	\$ 151,303
Motor vehicle tax	29,128
Car company tax	1,400
Penalties, interest, and other	889
Fines and forfeitures	61,305
Forest reserve	6
	<hr/>
Total County	\$ 244,031
	<hr/> <hr/>
State	
Foundation program	\$ 3,818,348
Tax shortfall grant	6,435
Other state restricted	220
Taylor grazing	2,741
	<hr/>
Total State	\$ 3,827,744
	<hr/> <hr/>
Interest	\$ 14,655
	<hr/> <hr/>

PLATTE COUNTY SCHOOL DISTRICT NO. 2
DETAIL SCHEDULE OF EXPENDITURES AND TRANSFERS
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

Instruction	
Salaries	\$ 1,644,138
Employee benefits	813,785
Purchased services	71,833
Supplies and materials	217,003
Capital outlay	92,404
	<hr/>
Total Instruction	<u>\$ 2,839,163</u>
Instructional Support	
Salaries	\$ 279,830
Employee benefits	118,889
Purchased services	44,569
Supplies and materials	17,629
	<hr/>
Total Instructional Support	<u>\$ 460,917</u>
General Support	
Salaries	\$ 641,046
Employee benefits	290,156
Purchased services	220,151
Supplies and materials	221,420
Capital outlay	14,640
Other	7,855
	<hr/>
Total General Support	<u>\$ 1,395,268</u>
Operating Transfers Out	
Transfers to Food Service Enterprise Fund	\$ 55,000
Transfers to BOCES	5,000
	<hr/>
	<u>\$ 60,000</u>



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 No. 2
Guernsey, 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 No. 2, 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 No. 2's basic financial statements, and have issued our report thereon dated December 9, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Platte County School District No. 2'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Platte County School District No. 2's internal control. Accordingly, we do not express an opinion on the effectiveness of Platte County School District No. 2's internal control.

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

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

Roxy L. Skogen, CPA, CFE

Michael J. Cometto, CPA, CFE

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Platte County School District No. 2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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
December 9, 2013