

TETON COUNTY SCHOOL DISTRICT NO. ONE  
FINANCIAL REPORT  
JUNE 30, 2013

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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
Teton County School District No. One  
Jackson, 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 Teton County School District No. One as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

## **Opinions**

In our opinion, the financial statements referred to 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 Teton County School District No. One as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 25 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 consists 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 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 Teton County School District No. One's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations* and is not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

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

### **NOTICE**

**The accompanying financial statements, supplementary information and our independent auditors' reports are for the purpose of meeting local, state and federal requirements and are for the use of those entities, management, and the Board of Trustees, and should not be used or relied upon by any other party for any purpose.**

**Additional users of these financial statements, supplementary information, and our independent auditors' reports are hereby advised that the liability of Leo Riley & Co., CPAs to third party users who use or rely on this information may be limited pursuant to 1995 Wyo. Sess. Laws, Chapter 155 creating Wyo. Stat. §33-3-201. However, the financial statements, supplementary information, and our independent auditors' report on the financial statements are a matter of public record and their distribution is not limited.**

DATE, 2013

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF NET POSITION  
JUNE 30, 2013

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|--|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>                                      |                                    |                                     |                      |
| Current assets:                                    |                                    |                                     |                      |
| Cash and cash equivalents                          | \$ 13,085,620                      | \$ 102,378                          | \$ 13,187,998        |
| Receivables -                                      |                                    |                                     |                      |
| Property taxes                                     | 1,150,721                          |                                     | 1,150,721            |
| Grants   | 1,022,552                          |                                     | 1,022,552            |
| Interfund receivables                              | 211,785                            |                                     | 211,785              |
| Other  | 45,257                             |                                     | 45,257               |
| Inventories  | 121,070                            | 13,488                              | 134,558              |
| Total current assets                               | <u>\$ 15,637,005</u>               | <u>\$ 115,866</u>                   | <u>\$ 15,752,871</u> |
| Noncurrent assets:                                 |                                    |                                     |                      |
| Land and construction in progress                  | \$ 4,078,789                       | \$                                  | \$ 4,078,789         |
| Depreciable capital assets - net                   | 75,798,355                         | 67,681                              | 75,866,036           |
| Total noncurrent assets                            | <u>\$ 79,877,144</u>               | <u>\$ 67,681</u>                    | <u>\$ 79,944,825</u> |
| Total assets                                       | <u>\$ 95,514,149</u>               | <u>\$ 183,547</u>                   | <u>\$ 95,697,696</u> |
| <b>LIABILITIES</b>                                 |                                    |                                     |                      |
| Current liabilities:                               |                                    |                                     |                      |
| Accounts payable                                   | \$ 561,722                         | \$                                  | \$ 561,722           |
| Accrued payroll and benefits                       | 4,789,613                          | ( 558)                              | 4,789,055            |
| Interfund payables                                 | 211,785                            |                                     | 211,785              |
| Deferred revenues                                  | 76,492                             |                                     | 76,492               |
| Current portion of capital lease obligation        | 637,144                            |                                     | 637,144              |
| Total current liabilities                          | <u>\$ 6,276,756</u>                | <u>\$ ( 558)</u>                    | <u>\$ 6,276,198</u>  |
| Noncurrent liabilities                             |                                    |                                     |                      |
| Capital lease obligations -                        |                                    |                                     |                      |
| Due in more than one year                          | \$ 1,057,139                       | \$                                  | \$ 1,057,139         |
| Total noncurrent liabilities                       | <u>\$ 1,057,139</u>                | <u>\$</u>                           | <u>\$ 1,057,139</u>  |
| Total liabilities                                  | <u>\$ 7,333,895</u>                | <u>\$ ( 558)</u>                    | <u>\$ 7,333,337</u>  |
| <b>NET POSITION</b>                                |                                    |                                     |                      |
| Invested in capital assets, net of<br>related debt | \$78,182,860                       | \$ 67,681                           | \$ 78,250,541        |
| Restricted   | 1,130,441                          |                                     | 1,130,441            |
| Unrestricted                                       | 8,886,953                          | 116,424                             | 8,983,377            |
| Total net position                                 | <u>\$ 88,180,254</u>               | <u>\$ 184,105</u>                   | <u>\$ 88,364,359</u> |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

|   | Program Revenues     |                         |  |  | Net (Expense) Revenue<br>and Changes in Net Position |                             |                       |
|---|----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|
|   | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total                 |
| <b>Governmental Activities</b>                    |                      |                         |  |  |  |                             |                       |
| Instruction                                       | \$ 30,980,708        | \$ 8,654                | \$ 3,505,889                             | \$                                     | \$(27,466,165)                                       | \$                          | \$(27,466,165)        |
| Instructional support                             | 4,709,624            |                         | 240,522                                  |  | ( 4,469,102)   |                             | ( 4,469,102)          |
| General support                                   | 11,508,959           |                         | 148,500                                  | 2,229,925                              | ( 9,130,534)   |                             | ( 9,130,534)          |
| Community support                                 | 339,634              |                         |  |  | ( 339,634)   |                             | ( 339,634)            |
|   | <u>\$ 47,538,925</u> | <u>\$ 8,654</u>         | <u>\$ 3,894,911</u>                      | <u>\$ 2,229,925</u>                    | <u>\$(41,405,435)</u>                                | <u>\$</u>                   | <u>\$(41,405,435)</u> |
| <b>Business-type Activities</b>                   |                      |                         |  |  |  |                             |                       |
| School lunch                                      | <u>\$ 1,273,129</u>  | <u>\$ 681,040</u>       | <u>\$ 395,054</u>                        | <u>\$</u>                              | <u>\$</u>  | <u>\$( 197,035)</u>         | <u>\$( 197,035)</u>   |
| General revenues:                                 |                      |                         |  |  |  |                             |                       |
| Property taxes levied for                         |                      |                         |  |  |  |                             |                       |
| General purposes                                  |                      |                         |  |  | \$ 38,417,306  | \$                          | \$ 38,417,306         |
| Recreation activities                             |                      |                         |  |  | 1,100,291  |                             | 1,100,291             |
| State of Wyoming                                  |                      |                         |  |  |  |                             |                       |
| Maintenance funding                               |                      |                         |  |  | 1,219,650  |                             | 1,219,650             |
| Other   |                      |                         |  |  | 42,164   |                             | 42,164                |
| Investment earnings                               |                      |                         |  |  | 7,328  | 36                          | 7,364                 |
| Miscellaneous                                     |                      |                         |  |  | 1,425,304  | 987                         | 1,426,291             |
| Transfers   |                      |                         |  |  | ( 277,000)   | 187,000                     | ( 90,000)             |
| Total general revenues                            |                      |                         |  |  | <u>\$ 41,935,043</u>                                 | <u>\$ 188,023</u>           | <u>\$ 42,123,066</u>  |
| Excess (deficit) of revenues<br>over expenditures |                      |                         |  |  | \$ 529,608   | \$( 9,012)                  | \$ 520,596            |
| Net position - Beginning                          |                      |                         |  |  | <u>87,650,646</u>                                    | <u>193,117</u>              | <u>87,843,763</u>     |
| Net position - Ending                             |                      |                         |  |  | <u>\$ 88,180,254</u>                                 | <u>\$ 184,105</u>           | <u>\$ 88,364,359</u>  |

(The notes to the basic financial statements are an integral part of this statement)



TETON COUNTY SCHOOL DISTRICT NO. ONE

BALANCE SHEETS  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

|                                      | Major Funds          |                      |                     | Total                |
|--------------------------------------|----------------------|----------------------|---------------------|----------------------|
|                                      | General Fund         | Special Revenue Fund | Non Major Funds     |                      |
| <b>ASSETS</b>                        |                      |                      |                     |                      |
| Cash and cash equivalents            | \$ 9,930,276         | \$ 117,497           | \$ 1,880,921        | \$ 11,928,694        |
| Receivables -                        |                      |                      |                     |                      |
| Property taxes                       | 1,131,039            |                      | 32,000              | 1,163,039            |
| Grants                               |                      | 1,022,552            |                     | 1,022,552            |
| Other                                | 45,257               |                      |                     | 45,257               |
| Inventories                          | 121,070              |                      |                     | 121,070              |
| Due from other funds                 | 211,000              | 785                  |                     | 211,785              |
| Total assets                         | <u>\$ 11,438,642</u> | <u>\$ 1,140,834</u>  | <u>\$ 1,912,921</u> | <u>\$ 14,492,397</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                      |                      |                     |                      |
| Liabilities:                         |                      |                      |                     |                      |
| Accounts payable                     | \$ 442,362           | \$ 6,713             | \$ 112,197          | \$ 561,272           |
| Unearned revenue                     |                      | 76,491               |                     | 76,491               |
| Due to other funds                   | 785                  | 211,000              |                     | 211,785              |
| Accrued payroll and benefits         | 4,401,101            | 301,289              |                     | 4,702,390            |
| Total liabilities                    | <u>\$ 4,844,248</u>  | <u>\$ 595,493</u>    | <u>\$ 112,197</u>   | <u>\$ 5,551,938</u>  |
| <b>FUND BALANCES</b>                 |                      |                      |                     |                      |
| Restricted                           | \$                   | \$                   | \$ 1,130,441        | \$ 1,130,441         |
| Committed                            |                      | 545,341              | 670,283             | 1,215,624            |
| Unassigned                           | 6,594,394            |                      |                     | 6,594,394            |
| Total fund balances                  | <u>\$ 6,594,394</u>  | <u>\$ 545,341</u>    | <u>\$ 1,800,724</u> | <u>\$ 8,940,459</u>  |
| Total liabilities and fund balances  | <u>\$ 11,438,642</u> | <u>\$ 1,140,834</u>  | <u>\$ 1,912,921</u> | <u>\$ 14,492,397</u> |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO  
NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2013

|  |                      |                      |
|--|----------------------|----------------------|
| Total governmental fund balance  |                      | \$ 8,940,459         |
| Amounts reported for governmental activities in the statement of net position are different because:   |                      |                      |
| Reduced revenues for property taxes are not recorded in the government wide statement of net position  |                      | ( 12,318)            |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of: |                      |                      |
| Capital assets -   |                      |                      |
| Land and construction in progress  | \$ 117,779,838       |                      |
| Depreciable capital assets - net   | <u>( 37,902,694)</u> | 79,877,144           |
| Net position of internal service funds   |                      | 1,156,381            |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:        |                      |                      |
| Accrued compensated absences   |                      | ( 87,222)            |
| Long-term debt obligations   |                      | ( 1,694,283)         |
| Miscellaneous  |                      | <u>93</u>            |
| Net position of governmental activities  |                      | <u>\$ 88,180,254</u> |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|   | Major Funds          |                      |                      | Total                |
|---|----------------------|----------------------|----------------------|----------------------|
|   | General Fund         | Special Revenue Fund | Non Major Funds      |                      |
| <b>REVENUES</b>   |                      |                      |                      |                      |
| Local sources   | \$ 30,987,110        | \$ 244,076           | \$ 1,141,007         | \$ 32,372,193        |
| County sources  | 7,879,882            |                      |                      | 7,879,882            |
| State sources   | 1,101,636            | 1,052,620            |                      | 2,154,256            |
| Federal sources   | 11,156               | 2,449,715            | 3,598,075            | 6,058,946            |
| Total revenues  | <u>\$ 39,979,784</u> | <u>\$ 3,746,411</u>  | <u>\$ 4,739,082</u>  | <u>\$ 48,465,277</u> |
| <b>EXPENDITURES</b>   |                      |                      |                      |                      |
| Instruction   | \$ 24,897,765        | \$ 3,268,640         | \$ 229,304           | \$ 28,395,709        |
| Instructional support   | 4,726,675            | 240,522              | 3,819                | 4,971,016            |
| General support   | 10,361,388           | 554,323              | 1,190,588            | 12,106,299           |
| Capital project outlay  |                      |                      | 2,381,071            | 2,381,071            |
| Debt service -  |                      |                      |                      |                      |
| Retirement of long-term lease obligations   | 655,295              |                      |                      | 655,295              |
| Interest  | 71,893               |                      |                      | 71,893               |
| Total expenditures  | <u>\$ 40,713,016</u> | <u>\$ 4,063,485</u>  | <u>\$ 3,804,782</u>  | <u>\$ 48,581,283</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>  | <u>\$ ( 733,232)</u> | <u>\$ ( 317,074)</u> | <u>\$ 934,300</u>    | <u>\$ ( 116,006)</u> |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                      |                      |                      |                      |
| Proceeds from issuance of lease obligations   | \$ 677,270           | \$                   | \$                   | \$ 677,270           |
| Operating transfers in (out)  | ( 427,000)           | 529,279              | ( 379,279)           | ( 277,000)           |
| Total other financing sources (uses)  | <u>\$ 250,270</u>    | <u>\$ 529,279</u>    | <u>\$ ( 379,279)</u> | <u>\$ 400,270</u>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>AND OTHER FINANCING SOURCES<br/>OVER EXPENDITURES AND OTHER<br/>FINANCING USES</b> | <u>\$ ( 482,962)</u> | <u>\$ 212,205</u>    | <u>\$ 555,021</u>    | <u>\$ 284,264</u>    |
| FUND EQUITY - Beginning   | <u>7,077,356</u>     | <u>333,136</u>       | <u>1,245,703</u>     | <u>8,656,195</u>     |
| FUND EQUITY - Ending  | <u>\$ 6,594,394</u>  | <u>\$ 545,341</u>    | <u>\$ 1,800,724</u>  | <u>\$ 8,940,459</u>  |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

RECONCILIATION OF THE GOVERNMENTAL STATEMENT OF REVENUE,  
EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013

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

|   |                     |                   |
|---|---------------------|-------------------|
| Total net change in fund balances - governmental funds  |                     | \$ 284,264        |
| Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds. They are, however, recorded as revenues in the statement of activities.  |                     | ( 120,501)        |
| All capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those capital outlays other than non-capitalized items are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period. |                     |                   |
| Capital outlay  | \$ 3,762,429        |                   |
| Depreciation expense  | <u>( 3,601,405)</u> | 161,024           |
| Repayment of capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.  |                     | ( 677,270)        |
| Governmental funds report the issuance of debts as an other financing source. In the governmental activities, however, the issuance of debt is reflected as a liability.  |                     | 655,295           |
| Change in balance of internal service fund for employee health insurance payments are not included in the net change in fund balances - governmental funds.   |                     | 226,705           |
| Miscellaneous   |                     | <u>91</u>         |
| Total change in net position - governmental activities  |                     | <u>\$ 529,608</u> |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 JUNE 30, 2013

|                               | <u>Enterprise<br/>Food<br/>Service</u> | <u>Internal<br/>Service<br/>Fund</u> |
|-------------------------------|--|--------------------------------------|
| <b>ASSETS</b>                 |  |                                      |
| Current assets -              |  |                                      |
| Cash                          | \$ 102,378                             | \$ 1,156,925                         |
| Inventory                     | <u>13,488</u>                          |                                      |
| Total current assets          | <u>\$ 115,866</u>                      | <u>\$ 1,156,925</u>                  |
| Noncurrent assets -           |  |                                      |
| Furniture and equipment       | \$ 508,632                             | \$                                   |
| Less accumulated depreciation | <u>440,951</u>                         |                                      |
| Total noncurrent assets       | <u>\$ 67,681</u>                       | <u>\$</u>                            |
| Total assets                  | <u>\$ 183,547</u>                      | <u>\$ 1,156,925</u>                  |
| <b>LIABILITIES</b>            |  |                                      |
| Accounts payable              | \$( <u>558</u> )                       | <u>\$ 544</u>                        |
| <b>NET POSITION</b>           |  |                                      |
| Invested in capital assets    | \$ 67,681                              | \$                                   |
| Unrestricted                  | <u>116,424</u>                         | <u>1,156,381</u>                     |
| Total net position            | <u>\$ 184,105</u>                      | <u>\$ 1,156,381</u>                  |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Enterprise<br/>Food<br/>Service</u> | <u>Internal<br/>Service<br/>Fund</u> |
|---|--|--------------------------------------|
| <b>OPERATING REVENUE</b>                        |  |                                      |
| Pupil sales                                     | \$ 309,560                             | \$                                   |
| A la carte sales                                | 371,480                                |                                      |
| Other operating revenue                         | 987                                    | 460,426                              |
| Total operating revenues                        | <u>\$ 682,027</u>                      | <u>\$ 460,426</u>                    |
| <b>OPERATING EXPENSES</b>                       |  |                                      |
| Salaries  | \$ 399,884                             | \$                                   |
| Employee benefits                               | 345,757                                | 234,469                              |
| Purchased services                              | 12,172                                 |                                      |
| Supplies and materials                          | 35,134                                 |                                      |
| Direct food costs                               | 459,483                                |                                      |
| Depreciation                                    | 20,699                                 |                                      |
| Total operating expenses                        | <u>\$ 1,273,129</u>                    | <u>\$ 234,469</u>                    |
| <b>OPERATING INCOME (LOSS)</b>                  | <u>\$ ( 591,102)</u>                   | <u>\$ 225,957</u>                    |
| <b>NONOPERATING REVENUES (EXPENSES)</b>         |  |                                      |
| Government source                               | \$ 395,054                             | \$                                   |
| Interest earnings                               | 36                                     | 748                                  |
| Total nonoperating revenues (expenses)          | <u>\$ 395,090</u>                      | <u>\$ 748</u>                        |
| <b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b> | <u>\$ ( 196,012)</u>                   | <u>\$ 226,705</u>                    |
| <b>OPERATING TRANSFERS IN (OUT)</b>             | <u>187,000</u>                         | <u>                    </u>          |
| <b>CHANGE IN NET POSITION</b>                   | <u>\$ ( 9,012)</u>                     | <u>\$ 226,705</u>                    |
| <b>TOTAL NET POSITION - Beginning</b>           | <u>193,117</u>                         | <u>929,676</u>                       |
| <b>TOTAL NET POSITION - Ending</b>              | <u>\$ 184,105</u>                      | <u>\$ 1,156,381</u>                  |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

|   | Business-Type Activities<br>Enterprise Funds |                             |
|---|--|-----------------------------|
|   | Food<br>Services<br>Fund                     | Internal<br>Service<br>Fund |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |  |                             |
| Received from user charges  | \$ 682,223                                   | \$ 460,426                  |
| Payments made to employees for services   | ( 399,884)                                   | ( 234,375)                  |
| Payments made for employee benefits   | ( 345,757)                                   |                             |
| Payments to suppliers for goods and services  | ( 506,789)                                   |                             |
| Net cash used by operating activities   | <u>\$ ( 570,207)</u>                         | <u>\$ 226,051</u>           |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING<br/>ACTIVITIES</b>  |  |                             |
| Operating grants received   | \$ 395,054                                   | \$                          |
| Operating transfers   | 187,000                                      |                             |
|   | <u>\$ 582,054</u>                            | <u>\$</u>                   |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>   |  |                             |
| Purchase of fixed assets  | \$( 6,500)                                   | \$                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |  |                             |
| Interest on investments   | \$ 36  | \$ 748                      |
| Net increase (decrease) in cash and cash equivalents  | \$ 5,383                                     | \$ 226,799                  |
| CASH - Beginning  | <u>96,995</u>                                | <u>930,126</u>              |
| CASH - Ending   | <u>\$ 102,378</u>                            | <u>\$ 1,156,925</u>         |
| <b>RECONCILIATION OF OPERATING INCOME<br/>(LOSS) TO NET CASH USED BY OPERATING<br/>ACTIVITIES</b> |  |                             |
| Operating income (loss)   | \$( 591,102)                                 | \$ 225,957                  |
| Adjustments to reconcile operating income<br>(loss) to net cash used by operating<br>activities:  |  |                             |
| Depreciation  | 20,699                                       |                             |
| Change in inventory   | 196  |                             |
| Accounts payable  |  | 94                          |
|   | <u>\$ ( 570,207)</u>                         | <u>\$ 226,051</u>           |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2013

|                                 | Early<br>Retirement<br>Awards<br><u>Trust Fund</u> | Agency<br>Funds<br>Student<br>Activity<br><u>                    </u> |
|---------------------------------|--|---|
| Assets:                         |  |   |
| Cash                            | \$ 227,995   | \$ 677,737  |
| Total assets                    | <u>\$ 227,995</u>                                  | <u>\$ 677,737</u>   |
| Liabilities:                    |  |   |
| Accrued expenses                | \$ 801   | \$  |
| Due to students                 |  | 677,737   |
| Total liabilities               | <u>\$ 801</u>                                      | <u>\$ 677,737</u>   |
| Net position held in trust for: |  |   |
| Early retirees                  | <u>\$ 227,194</u>                                  | <u>\$</u>   |

(The notes to the basic financial statements are an integral part of this statement)



TETON COUNTY SCHOOL DISTRICT NO. ONE  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|                                       | Early<br>Retirement<br>Awards<br><u>Trust Fund</u> |
|---------------------------------------|--|
| Additions:                            |  |
| Interest and investment earnings      | \$ <u>270</u>                                      |
| Changes in net position held in trust | \$ 270   |
| Net position - Beginning              | <u>226,924</u>                                     |
| Net position - Ending                 | <u>\$ 227,194</u>                                  |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Teton County School District No. One is a School District organized under Wyoming State Statutes. The District is governed by an elected nine-member board of education and provides public education services to the residents of Teton County, Wyoming.

Reporting Entity

In defining Teton County School District No. One's reporting entity the following criteria were used to determine the District's ability to exercise oversight responsibility over potential component units:

1. Financial interdependency.
2. Selection of governing authority.
3. Designation of management.
4. Ability to influence operations.
5. Accountability for fiscal matters.

Based on these criteria it has been determined that the Teton County School District No. One Recreation District is a component unit of the District and has been included as a nonmajor fund of the District.

**District-Wide and Fund Financial Statements**

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

**District-Wide Statements** - The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

Proprietary funds (school lunch and internal service fund) are reported using the economic resources measurement focus and the accrual basis of accounting similar to the basis used for the government-wide financial statements. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flows take place. Operating revenues consist of charges for services, primarily school provided meals, and nonoperating revenues consist of governmental grants, interest, and transfers. Investment earnings, general fund support and governmental grants are reported as nonoperating revenues. All assets and liabilities are recorded in the enterprise funds financial statements. The District applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, except those that conflict with Governmental Accounting Standards Board pronouncements.

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

The school district reports the following major governmental funds:

Major Funds

General Fund - accounts for the resources used to finance the fundamental operations of the School District. It is the basic fund of the District and accounts for all activities for which a special fund has not been established.

Special Revenue Fund - accounts for funds collected and held for dedicated purposes including federal and state grant awards.

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Major Funds

School Construction Fund - accounts for the financing and construction costs associated with new facility construction.

Capital Construction Fund - accounts for the financing and purchasing and/or construction of assets that are capital in nature or significant repairs and improvements to existing assets.

Recreation District - accounts for the funds collected under the 1 mill recreation levy established by the District to enhance recreational activities in the District and community.

Budgets

The budgets are prepared on the cash basis of accounting in accordance with Wyoming State Statute. All budgetary appropriations lapse at June 30, the end of the fiscal year, except for the special revenue funds which are budgeted over the grant term.

The original budget is adopted by the School Board and is filed with the Wyoming Department of Education. When amendments are made during the year on approval of the School Board, the amendments are filed with the Wyoming Department of Education.

Under Wyoming Department of Education requirements, the budget should not be exceeded in any major category. The required supplementary information disclosed budget violations in the Insurance and Utility Department and Other categories.

Investments

Investments are carried at fair market value.

Capital Assets

Capital assets, which include land, building, equipment, and vehicles are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized. The school district does not have infrastructure type assets.

Buildings, equipment and vehicles are depreciated using the straight-line method over the following useful lives:

|                               |               |
|-------------------------------|---------------|
| Buildings and additions       | 20 - 40 years |
| Buses and other vehicles      | 5 - 10 years  |
| Furniture and other equipment | 5 years       |

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories of supplies are valued at lower of cost or market. Cost is determined on a first-in, first-out basis. Food inventories are valued at average cost except for federal food commodities, which are valued at process, administrative, delivery, pickup and storage costs.

Compensated Absences

Vacation - The School District's noncertified employees who have less than ten years of service, earn ten days of vacation per year. Those employees, who have ten or more years of service, earn fifteen days per year. The superintendent of the District earns twenty days of vacation per year. These employees may carry up to fifteen vacation days into the next fiscal year and may take pay in lieu of vacation time for five of these fifteen days.

Sick Leave - Employees of the School District are allowed to accumulate sick leave to a maximum of 50 days to be paid during illness. Employees vest in any sick pay earned in excess of 50 days. Such sick pay is paid at 50% of present daily salary at the end of each school year.

At the end of the fiscal year all vested accrued absences were paid.

Property Taxes

Property taxes are levied, billed, and collected by Teton County on behalf of the School District. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. The installments are considered delinquent if not paid by November 10 and May 10, respectively. If the taxpayer fails to pay the first installment by November 10, he/she may pay the entire liability by December 31 and avoid an interest charge. If taxes are not paid in accordance with the prescribed delinquent dates, a tax lien attaches to the property on August 1.

For the year ended June 30, 2013, the District has assessed 25 mills for general operations. The District also receives the 6 mill county wide tax which is to be allocated between the District and other school districts in the county. Since School District No. One is the only school district located within Teton County, School District No. One receives all taxes collected under this levy.

The School District has also formed the Teton County School District No. One Recreation District which under Wyoming State Statute is allowed to assess 1 mill. The Recreation District has levied .9 of a mill in 2012-2013.

Cash and Cash Equivalents - Enterprise Fund Type and Internal Service Fund

For purposes of the statement of cash flows, the Enterprise Fund and Internal Service Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any of this type of item.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District does not have any of this type of item.

Fund Balance

Beginning with fiscal year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance - amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the District itself enacted by resolution of the School Board. Committed fund balances cannot be used for any other purpose unless the commitment expires as set forth in the resolution, or a new Board resolution amends the commitment.
- Assigned fund balance - amounts the School Board intends to use for a specific purpose. Intent can be expressed by the School Board or by an official or body to which the School Board delegates the authority.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The District utilizes restricted fund balances first followed by committed resources, and then assigned resources.

The School District has adopted a policy for a minimum fund balance for the General Fund of two months of the current year's budgeted expenditures less fund transfers-out budgeted for the fund. This reserve shall be in addition to all other required fund balance designations that may exist.

Beginning fund balances for the District's governmental funds have been restated to reflect the above classifications.

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New GASB Pronouncements

The Governmental Accounting Standards Board has issued several new pronouncements that the District has reviewed for application to their accounting and reporting.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, is effective for periods beginning after December 15, 2011. This standard provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The District has implemented this reporting for the year ended June 30, 2013. The components of net position were renamed to reflect the requirements of this statement.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, is effective for financial statements for periods beginning after December 15, 2012. This statement improves financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The District has implemented this statement in the year ended June 30, 2013. This change does not result in any adjustment to prior period balances.

NOTE 2. CASH AND INVESTMENTS

Cash

Cash consists of checking accounts, savings accounts and certificates of deposit held at banking institutions within the District, and money market funds held with a brokerage firm. It is the District's policy that all bank balances either be insured by FDIC insurance or be collateralized by securities or pledging from the depository institution. This is in accordance with Wyoming Statutes.

NOTE 3. LONG-TERM DEBT

Capital Lease Arrangements

The District had seven leasing arrangements for the purchase of school buses and heavy equipment. These leases are detailed as follows:

|   | Balance   | Asset Cost |
|---|-----------|------------|
| First National Bank of Gillette; lease for 4 school buses; annual payments of \$82,308.75 through June 2014; interest rate of 3.74% | \$ 79,334 | \$ 300,541 |

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3. LONG-TERM DEBT (Continued)

|   | <u>Balance</u>      | <u>Asset Cost</u>   |
|---|---------------------|---------------------|
| Wyoming Bank and Trust; lease for 6 school buses; annual payments of \$125,860.26 through June 2015; interest rate of 3.21%             | \$ 240,017          | \$ 574,039          |
| CAT Financial; lease for wheel loader; annual payments of \$48,405 through December 2013 and balloon payment of \$185,000 December 2014 | 221,940             | 341,284             |
| Wyoming Bank and Trust; lease for computers; annual payment of \$49,963.30 through June 2014; interest rate of 3.79%                    | 48,503              | 184,250             |
| Wyoming Bank and Trust; lease for 4 school buses; annual payments of \$28,638.13 through June 2016; interest rate of 2.95%              | 81,084              | 132,715             |
| First State Bank of New Castle, WY; lease for 3 school buses; annual payment of \$92,670.17 through June 2016; interest rate of 3.23%   | 260,873             | 422,640             |
| First State Bank of New Castle, WY; lease for computers; annual payment of \$24,963.96 through June 2015; interest rate of 3.79%        | 95,142              | 184,250             |
| US Bancorp; lease for printers; monthly payments of \$2,777 for 60 months; interest rate of 6.024%                                      | 49,083              | 71,979              |
| US Bancorp; lease for copiers; monthly payments of \$3,327 for 48 months; interest rate of 6.024%                                       | 80,897              | 141,574             |
| Wyoming Bank and Trust; lease for computers; annual payment of \$49,996.52 through June 2016; interest rate of 2%                       | 141,421             | 186,350             |
| Wyoming Bank and Trust; lease for 4 school buses; annual payment of \$103,996.13 through June 2017; interest rate of 2%                 | 395,989             | 490,920             |
|   | <u>\$ 1,694,283</u> | <u>\$ 3,030,542</u> |

All leases are cancelable allowing the District to terminate the lease in the event funds are not budgeted to meet the minimum annual lease payment. In the event of cancellation, the District would be required to return the leased items.



TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3. LONG-TERM DEBT (Continued)

Annual debt service requirements to retire capital lease obligations are as follows:

| Year Ending<br><u>June 30</u> | <u>Principal</u>    | <u>Interest</u>  | <u>Total</u>        |
|-------------------------------|---------------------|------------------|---------------------|
| 2014                          | \$ 637,144          | \$ 51,130        | \$ 688,274          |
| 2015                          | 662,548             | 30,049           | 692,597             |
| 2016                          | 288,527             | 10,012           | 298,539             |
| 2017                          | 106,064             | 2,078            | 108,142             |
|                               | <u>\$ 1,694,283</u> | <u>\$ 93,269</u> | <u>\$ 1,787,552</u> |

Long-term debt is classified in the Statement of Net Position as follows:

|   |                     |
|---|---------------------|
| Current portion of long-term obligations    | \$ 637,144          |
| Noncurrent portion of long-term obligations | <u>1,057,139</u>    |
|   | <u>\$ 1,694,283</u> |

Changes

A summary of the changes in the general long-term debt for the year ended June 30, 2013, is presented below:

|                 | <u>Balance<br/>June 30,<br/>2012</u> | <u>Additions</u>  | <u>Reduction</u>  | <u>Balance<br/>June 30,<br/>2013</u> |
|-----------------|--------------------------------------|-------------------|-------------------|--------------------------------------|
| Equipment lease | <u>\$ 1,672,308</u>                  | <u>\$ 677,270</u> | <u>\$ 655,295</u> | <u>\$ 1,694,283</u>                  |

NOTE 4. OPERATING LEASES

The School District has entered into an operating lease agreement with the State of Wyoming whereby it leases land on which the high school is located. The lease is for a term of 25 years terminating on April 1, 2022 and calls for annual payments of \$3,280. It is, however, the policy of the State to allow a School District to terminate the lease upon written notice to the State Land and Investment Board and removal of all improvements made by the School District.

The following is a schedule of future minimum lease payments for such operating leases as of June 30, 2013:

| Year Ending<br><u>June 30</u> | <u>Land<br/>Leases</u> |
|-------------------------------|------------------------|
| 2014                          | \$ 3,280               |
| 2015                          | 3,280                  |
| 2016                          | 3,280                  |
| 2017                          | 3,280                  |
| 2018                          | 3,280                  |
| Thereafter                    | <u>13,120</u>          |
| Total minimum lease payments  | <u>\$ 29,520</u>       |

Under operating leases the District incurred expenses of \$3,280 for the year ending June 30, 2013.

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS

Wyoming Retirement System

The District participates in the Wyoming Retirement System ("System"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all District full-time employees are eligible to participate. The System provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The System issues a publicly available financial report which includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to the Wyoming Retirement System, First Floor East, Herschler Building, 122 West 25th Street, Cheyenne, Wyoming 82002.

Plan members are required to contribute 7.00% of their annual covered salary and the District is required to contribute 7.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employee's contribution in addition to the matching contribution. The District currently pays 100% of the required employee's contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The District's contributions to the System for the years ended June 30, 2013, 2012 and 2011 were \$3,493,110, \$3,465,845, and \$3,420,835, respectively, equal to the required contributions for each year.

NOTE 6. CHANGES IN FIXED ASSETS

| <u>Governmental Activities</u>      |                             |                     |                      |           |                             |
|-------------------------------------|-----------------------------|---------------------|----------------------|-----------|-----------------------------|
|                                     | Balance<br>June 30,<br>2012 | Additions           | Deletions            | Transfers | Balance<br>June 30,<br>2013 |
| Nondepreciable assets               |                             |                     |                      |           |                             |
| Land                                | \$ 3,616,361                | \$                  | \$                   | \$        | \$ 3,616,361                |
| Construction in progress            | 889,998                     | 84,623              | ( 512,193)           |           | 462,428                     |
|                                     | <u>\$ 4,506,359</u>         | <u>\$ 84,623</u>    | <u>\$ ( 512,193)</u> | <u>\$</u> | <u>\$ 4,078,789</u>         |
| Depreciable capital assets          |                             |                     |                      |           |                             |
| Buildings and structures            | \$ 98,331,059               | \$ 3,425,253        | \$                   | \$        | \$101,756,312               |
| Vehicles and equipment              | 11,179,990                  | 764,747             |                      |           | 11,944,737                  |
|                                     | <u>\$109,511,049</u>        | <u>\$ 4,190,000</u> | <u>\$</u>            | <u>\$</u> | <u>\$113,701,049</u>        |
| Accumulated depreciation            | 34,301,288                  | 3,601,406           |                      |           | 37,902,694                  |
| Total                               | <u>\$ 75,209,761</u>        | <u>\$ 3,601,406</u> | <u>\$</u>            | <u>\$</u> | <u>\$ 75,798,355</u>        |
| Net fixed assets                    | <u>\$ 79,716,120</u>        | <u>\$ 673,217</u>   | <u>\$ ( 512,193)</u> | <u>\$</u> | <u>\$ 79,877,144</u>        |
| <br><u>Business-Type Activities</u> |                             |                     |                      |           |                             |
|                                     | Balance<br>June 30,<br>2012 | Additions           | Deletions            | Transfers | Balance<br>June 30,<br>2013 |
| Machinery and equipment             | \$ 502,132                  | \$ 6,500            |                      |           | \$ 508,632                  |
| Accumulated depreciation            | 420,252                     | 20,699              |                      |           | 440,951                     |
| Net capital assets                  | <u>\$ 81,880</u>            |                     |                      |           | <u>\$ 67,681</u>            |

TETON COUNTY SCHOOL DISTRICT NO. ONE  
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7. INTERFUND ACTIVITY

Transfers

A summary of interfund transfers consists of the following:

|                       | Transfers<br>In     | Transfers<br>Out     |
|-----------------------|---------------------|----------------------|
| <u>Cash Transfers</u> |                     |                      |
| General Fund          | \$                  | \$( 427,000)         |
| Special Revenue Fund  | 529,279             |                      |
| Recreation District   |                     | ( 779,279)           |
| Capital Construction  | 550,000             |                      |
| Major Maintenance     |                     | ( 150,000)           |
| Food Service          | 187,000             |                      |
| Internal Service Fund | 90,000              |                      |
|                       | <u>\$ 1,356,279</u> | <u>\$(1,356,279)</u> |

Interfund receivables/payables

Interfund receivables and payables represent short-term advances from the general fund to the special revenue fund to cover the delay in grant draws receipts from grantor agencies.

NOTE 8. FUND BALANCES

The fund balances of the governmental funds have been restricted for the following:

|                     |                     |
|---------------------|---------------------|
| Non Major Funds     |                     |
| Recreation District | \$ 328,447          |
| Major Maintenance   | 801,994             |
|                     | <u>\$ 1,130,441</u> |

The fund balances of the governmental funds have been committed.

|                           |            |
|---------------------------|------------|
| Major Funds               |            |
| Special Revenue Fund      | \$ 545,341 |
| Non Major Funds           |            |
| Capital Construction Fund | \$ 670,283 |

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has transferred its risk by purchasing insurance from a commercial enterprise. There has been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - REVENUE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Original<br>Budget   | Revised<br>Budget    | Actual               | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------------|----------------------|----------------------|--|
| REVENUES:                              |                      |                      |                      |  |
| Local sources -                        |                      |                      |                      |  |
| Taxes -                                |                      |                      |                      |  |
| Special district taxes                 | \$ 28,252,459        | \$ 28,252,459        | \$ 28,076,330        | \$ ( 176,129)                          |
| Motor vehicle taxes                    | 2,650,081            | 2,650,081            | 2,673,400            | 23,319                                 |
| Penalties and interest                 | 258,272              | 258,272              | 180,186              | ( 78,086)                              |
|  | <u>\$ 31,160,812</u> | <u>\$ 31,160,812</u> | <u>\$ 30,929,916</u> | <u>\$ ( 230,896)</u>                   |
| Other -                                |                      |                      |                      |  |
| Indirect costs                         | \$ 51,075            | \$ 51,075            | \$ 92,458            | \$ 41,383                              |
| Restitution                            | 2,471                | 2,471                |                      | ( 2,471)                               |
| Refund of expenditures                 |                      |                      | 4,007                | 4,007                                  |
| COBRA retiree insurance                | 194,978              | 194,978              | 221,310              | 26,332                                 |
| Miscellaneous                          | 50                   | 50                   | 135                  | 85                                     |
|  | <u>\$ 248,574</u>    | <u>\$ 248,574</u>    | <u>\$ 317,910</u>    | <u>\$ 69,336</u>                       |
| Total local sources                    | <u>\$ 31,409,386</u> | <u>\$ 31,409,386</u> | <u>\$ 31,247,826</u> | <u>\$ ( 161,560)</u>                   |
| Interest -                             | \$ 7,846             | \$ 7,846             | \$ 6,102             | \$ ( 1,744)                            |
| County sources -                       |                      |                      |                      |  |
| Taxes -                                |                      |                      |                      |  |
| County equalization taxes              | \$ 6,780,590         | \$ 6,780,590         | \$ 6,738,319         | \$ ( 42,271)                           |
| County motor vehicle tax               | 636,020              | 636,020              | 641,616              | 5,596                                  |
| Penalties and interest                 | 61,985               | 61,985               | 43,245               | ( 18,740)                              |
| Fines, forfeitures and protested taxes | 431,165              | 431,165              | 508,226              | 77,061                                 |
| Forest Service                         | 10,375               | 10,375               | 10,940               | 565                                    |
| Total county sources                   | <u>\$ 7,920,135</u>  | <u>\$ 7,920,135</u>  | <u>\$ 7,942,346</u>  | <u>\$ 22,211</u>                       |
| State sources -                        |                      |                      |                      |  |
| Foundation Program (Audit adjustment)  | \$ 1,114,402         | \$ 1,126,013         | \$ 1,059,270         | \$ ( 66,743)                           |
| Taylor grazing                         | 203                  | 203                  | 203                  |  |
| Tax shortfall grants                   | 80,134               | 80,134               | 103,693              | 23,559                                 |
| Audit adjustment                       | ( 100,000)           | ( 100,000)           | ( 61,529)            | 38,471                                 |
| Total state sources                    | <u>\$ 1,094,739</u>  | <u>\$ 1,106,350</u>  | <u>\$ 1,101,637</u>  | <u>\$ ( 4,713)</u>                     |
| Federal sources -                      |                      |                      |                      |  |
| Other Federal unrestricted revenue     | \$                   | \$                   | \$ 11,156            | \$ 11,156                              |
| Total revenues                         | <u>\$ 40,432,106</u> | <u>\$ 40,443,717</u> | <u>\$ 40,309,067</u> | <u>\$ ( 134,650)</u>                   |

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - EXPENDITURE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|                                   | Original<br>Budget  | Revised<br>Budget   | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|-----------------------------------|---------------------|---------------------|---------------------|--|
| EXPENDITURES:                     |                     |                     |                     |  |
| General Instruction -             |                     |                     |                     |  |
| Elementary -                      |                     |                     |                     |  |
| Salaries                          | \$ 6,388,785        | \$ 6,388,785        | \$ 6,336,439        | \$ 52,346                              |
| Employee benefits                 | 2,712,738           | 2,712,738           | 2,725,990           | ( 13,252)                              |
| Purchased services                | 31,925              | 31,925              | 30,986              | 939                                    |
| Supplies                          | 147,205             | 152,305             | 153,582             | ( 1,277)                               |
| Capital outlay                    | 18,317              | 17,397              | 12,394              | 5,003                                  |
| Total elementary                  | <u>\$ 9,298,970</u> | <u>\$ 9,303,150</u> | <u>\$ 9,259,391</u> | <u>\$ 43,759</u>                       |
| Middle school -                   |                     |                     |                     |  |
| Salaries                          | \$ 2,495,013        | \$ 2,495,013        | \$ 2,437,857        | \$ 57,156                              |
| Employee benefits                 | 949,150             | 949,150             | 963,294             | ( 14,144)                              |
| Purchased services                | 8,900               | 8,900               | 3,202               | 5,698                                  |
| Supplies                          | 68,668              | 64,196              | 58,439              | 5,757                                  |
| Capital outlay                    | 3,500               | 3,500               | 20,756              | ( 17,256)                              |
| Total middle school               | <u>\$ 3,525,231</u> | <u>\$ 3,520,759</u> | <u>\$ 3,483,548</u> | <u>\$ 37,211</u>                       |
| Secondary -                       |                     |                     |                     |  |
| Salaries                          | \$ 3,314,553        | \$ 3,314,553        | \$ 3,298,805        | \$ 15,748                              |
| Employee benefits                 | 1,178,970           | 1,178,970           | 1,221,501           | ( 42,531)                              |
| Purchased services                | 21,048              | 21,048              | 22,815              | ( 1,767)                               |
| Supplies                          | 60,860              | 56,998              | 45,006              | 11,992                                 |
| Capital outlay                    | 7,115               | 6,946               | 3,414               | 3,532                                  |
| Other objects                     | 1,600               | 1,600               | 1,556               | 44                                     |
| Total secondary                   | <u>\$ 4,584,146</u> | <u>\$ 4,580,115</u> | <u>\$ 4,593,097</u> | <u>\$ ( 12,982)</u>                    |
| Secondary Distance Learning -     |                     |                     |                     |  |
| Salaries                          | \$ 11,126           | \$ 11,126           | \$ 42,892           | \$ ( 31,766)                           |
| Employee benefits                 | 6,283               | 6,283               | 14,336              | ( 8,053)                               |
| Purchased services                |                     |                     | 1,500               | ( 1,500)                               |
| Total secondary distance learning | <u>\$ 17,409</u>    | <u>\$ 17,409</u>    | <u>\$ 58,728</u>    | <u>\$ ( 41,319)</u>                    |
| Vocational education -            |                     |                     |                     |  |
| Salaries                          | \$ 313,369          | \$ 313,369          | \$ 291,852          | \$ 21,517                              |
| Employee benefits                 | 149,025             | 149,025             | 144,178             | 4,847                                  |
| Purchased services                | 22,369              | 22,369              | 14,269              | 8,100                                  |
| Supplies                          | 5,275               | 5,275               | 4,360               | 915                                    |
| Total vocational education        | <u>\$ 490,038</u>   | <u>\$ 490,038</u>   | <u>\$ 454,659</u>   | <u>\$ 35,379</u>                       |
| Tuition -                         |                     |                     |                     |  |
| Purchased services                | \$ 225,000          | \$ 241,941          | \$ 241,941          | \$ _____                               |

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - EXPENDITURE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Original<br>Budget   | Revised<br>Budget    | Actual               | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------------|----------------------|----------------------|--|
| EXPENDITURES (continued):              |                      |                      |                      |  |
| General instruction (continued) -      |                      |                      |                      |  |
| Activities -                           |                      |                      |                      |  |
| Salaries                               | \$ 467,412           | \$ 467,412           | \$ 492,069           | \$( 24,657)                            |
| Employee benefits                      | 103,110              | 103,110              | 98,443               | 4,667                                  |
| Purchased services                     | 182,820              | 185,816              | 182,086              | 3,730                                  |
| Supplies                               | 47,634               | 76,925               | 68,283               | 8,642                                  |
| Capital outlay                         | 2,200                | 2,200                | 2,445                | ( 245)                                 |
| Other objects                          | 36,000               | 36,000               | 41,941               | ( 5,941)                               |
| Total activities                       | <u>\$ 839,176</u>    | <u>\$ 871,463</u>    | <u>\$ 885,267</u>    | <u>\$( 13,804)</u>                     |
| Total general instruction              | <u>\$ 18,979,970</u> | <u>\$ 19,024,875</u> | <u>\$ 18,976,631</u> | <u>\$ 48,244</u>                       |
| Special instruction -                  |                      |                      |                      |  |
| Exceptional programs -                 |                      |                      |                      |  |
| Salaries                               | \$ 2,483,033         | \$ 2,483,033         | \$ 2,524,047         | \$( 41,014)                            |
| Employee benefits                      | 1,091,931            | 1,091,931            | 1,135,629            | ( 43,698)                              |
| Purchased services                     | 528,692              | 528,692              | 543,644              | ( 14,952)                              |
| Supplies                               | 45,800               | 45,800               | 50,219               | ( 4,419)                               |
| Capital outlay                         | 34,604               | 34,604               | 33,696               | 908                                    |
| Total exceptional programs             | <u>\$ 4,184,060</u>  | <u>\$ 4,184,060</u>  | <u>\$ 4,287,235</u>  | <u>\$( 103,175)</u>                    |
| Gifted and talented -                  |                      |                      |                      |  |
| Salaries                               | \$ 117,381           | \$ 117,381           | \$ 96,513            | \$ 20,868                              |
| Employee benefits                      | 45,147               | 45,147               | 37,546               | 7,601                                  |
| Purchased services                     | 7,000                | 7,000                | 8,503                | ( 1,503)                               |
| Supplies                               | 3,000                | 3,000                | 3,823                | ( 823)                                 |
| Capital outlay                         | 1,500                | 1,500                | 28                   | 1,472                                  |
| Total gifted and talented              | <u>\$ 174,028</u>    | <u>\$ 174,028</u>    | <u>\$ 146,413</u>    | <u>\$ 27,615</u>                       |
| Limited English Proficient -           |                      |                      |                      |  |
| Salaries                               | \$ 753,344           | \$ 753,344           | \$ 707,305           | \$ 46,039                              |
| Employee benefits                      | 372,454              | 372,454              | 356,164              | 16,290                                 |
| Purchased services                     | 3,500                | 3,500                | 3,926                | ( 426)                                 |
| Total limited English proficient       | <u>\$ 1,129,298</u>  | <u>\$ 1,129,298</u>  | <u>\$ 1,067,395</u>  | <u>\$ 61,903</u>                       |
| Tuition - Students with disabilities - |                      |                      |                      |  |
| Purchased services                     | <u>\$ 320,320</u>    | <u>\$ 441,700</u>    | <u>\$ 418,088</u>    | <u>\$ 23,612</u>                       |
| Homebound programs -                   |                      |                      |                      |  |
| Salaries                               | \$                   | \$                   | \$ 871               | \$( 871)                               |
| Employee benefits                      |                      |                      | 73                   | ( 73)                                  |
| Purchased services                     | 1,300                | 1,300                | 1,062                | 238                                    |
| Total homebound programs               | <u>\$ 1,300</u>      | <u>\$ 1,300</u>      | <u>\$ 2,006</u>      | <u>\$( 706)</u>                        |
| Total special instruction              | <u>\$ 5,809,006</u>  | <u>\$ 5,930,386</u>  | <u>\$ 5,921,137</u>  | <u>\$ 9,249</u>                        |
| Total instruction                      | <u>\$ 24,788,976</u> | <u>\$ 24,955,261</u> | <u>\$ 24,897,768</u> | <u>\$ 57,493</u>                       |

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - EXPENDITURE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Original<br>Budget  | Revised<br>Budget   | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| EXPENDITURES (continued):              |                     |                     |                     |  |
| Instructional support -                |                     |                     |                     |  |
| Social guidance -                      |                     |                     |                     |  |
| Salaries                               | \$ 760,702          | \$ 760,702          | \$ 803,612          | \$ ( 42,910)                           |
| Employee benefits                      | 319,988             | 319,988             | 309,141             | 10,847                                 |
| Purchased services                     | 3,600               | 3,600               | 3,568               | 32                                     |
| Supplies                               | 12,225              | 12,225              | 15,355              | ( 3,130)                               |
| Total social guidance                  | <u>\$ 1,096,515</u> | <u>\$ 1,096,515</u> | <u>\$ 1,131,676</u> | <u>\$ ( 35,161)</u>                    |
| Health programs -                      |                     |                     |                     |  |
| Salaries                               | \$ 205,330          | \$ 205,330          | \$ 183,584          | \$ 21,746                              |
| Employee benefits                      | 79,444              | 79,444              | 77,041              | 2,403                                  |
| Purchased services                     | 1,000               | 1,000               | 536                 | 464                                    |
| Supplies                               | 3,500               | 891                 | 1,355               | ( 464)                                 |
| Total health programs                  | <u>\$ 289,274</u>   | <u>\$ 286,665</u>   | <u>\$ 262,516</u>   | <u>\$ 24,149</u>                       |
| Psychological services -               |                     |                     |                     |  |
| Salaries                               | \$ 312,382          | \$ 312,382          | \$ 295,300          | \$ 17,082                              |
| Employee benefits                      | 123,119             | 123,119             | 116,138             | 6,981                                  |
| Total psychological services           | <u>\$ 435,501</u>   | <u>\$ 435,501</u>   | <u>\$ 411,438</u>   | <u>\$ 24,063</u>                       |
| Speech services -                      |                     |                     |                     |  |
| Salaries                               | \$ 285,128          | \$ 285,128          | \$ 278,325          | \$ 6,803                               |
| Employee benefits                      | 103,873             | 103,873             | 94,126              | 9,747                                  |
| Total speech services                  | <u>\$ 389,001</u>   | <u>\$ 389,001</u>   | <u>\$ 372,451</u>   | <u>\$ 16,550</u>                       |
| Other support services - Student -     |                     |                     |                     |  |
| Purchased services                     | \$ 98,029           | \$ 98,029           | \$ 110,891          | \$ ( 12,862)                           |
| Capital outlay                         |                     |                     | 47,184              | ( 47,184)                              |
| Total other support services - Student | <u>\$ 98,029</u>    | <u>\$ 98,029</u>    | <u>\$ 158,075</u>   | <u>\$ ( 60,046)</u>                    |
| Staff development -                    |                     |                     |                     |  |
| Purchased services                     | \$ 211,736          | \$ 211,736          | \$ 293,218          | \$ ( 81,482)                           |
| Supplies                               | 137,500             | 137,500             | 101,689             | 35,811                                 |
| Capital outlay                         | 5,500               | 5,500               | 5,282               | 218                                    |
| Total staff development                | <u>\$ 354,736</u>   | <u>\$ 354,736</u>   | <u>\$ 400,189</u>   | <u>\$ ( 45,453)</u>                    |
| Instructional media -                  |                     |                     |                     |  |
| Salaries                               | \$ 564,414          | \$ 564,414          | \$ 527,732          | \$ 36,682                              |
| Employee benefits                      | 202,348             | 202,348             | 208,927             | ( 6,579)                               |
| Purchased services                     | 183,211             | 183,211             | 185,407             | ( 2,196)                               |
| Total instructional media              | <u>\$ 949,973</u>   | <u>\$ 949,973</u>   | <u>\$ 922,066</u>   | <u>\$ 27,907</u>                       |

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - EXPENDITURE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Original<br>Budget  | Revised<br>Budget   | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| EXPENDITURES (continued):                    |                     |                     |                     |  |
| Instructional support (continued) -          |                     |                     |                     |  |
| Computer-assisted instruction services -     |                     |                     |                     |  |
| Salaries                                     | \$ 582,018          | \$ 582,018          | \$ 566,353          | \$ 15,665                              |
| Employee benefits                            | 282,240             | 282,240             | 273,370             | 8,870                                  |
| Purchased services                           | 1,000               | 6,170               | 1,111               | 5,059                                  |
| Supplies                                     | 50,925              | 50,925              | 44,280              | 6,645                                  |
| Capital outlay                               | 5,950               | 5,950               | 2,306               | 3,644                                  |
| Total computer-assisted instruction services | <u>\$ 922,133</u>   | <u>\$ 927,303</u>   | <u>\$ 887,420</u>   | <u>\$ 39,883</u>                       |
| Other educational media services -           |                     |                     |                     |  |
| Purchased services                           | \$ 39,924           | \$ 39,924           | \$ 42,898           | \$ ( 2,974)                            |
| Total instructional support                  | <u>\$ 4,575,086</u> | <u>\$ 4,644,848</u> | <u>\$ 4,588,729</u> | <u>\$ 56,119</u>                       |
| Administrative and general support -         |                     |                     |                     |  |
| Central administration -                     |                     |                     |                     |  |
| Salaries                                     | \$ 354,682          | \$ 354,682          | \$ 373,793          | \$ ( 19,111)                           |
| Employee benefits                            | 134,994             | 134,994             | 134,505             | 489                                    |
| Purchased services                           | 143,450             | 103,630             | 119,528             | ( 15,898)                              |
| Supplies                                     | 27,625              | 27,625              | 28,961              | ( 1,336)                               |
| Capital outlay                               | 20,000              | 20,000              | 24,111              | ( 4,111)                               |
| Total central administration                 | <u>\$ 680,751</u>   | <u>\$ 640,931</u>   | <u>\$ 680,898</u>   | <u>\$ ( 39,967)</u>                    |
| School administration -                      |                     |                     |                     |  |
| Salaries                                     | \$ 1,369,212        | \$ 1,369,212        | \$ 1,302,737        | \$ 66,475                              |
| Employee benefits                            | 540,778             | 540,778             | 500,594             | 40,184                                 |
| Purchased services                           | 88,043              | 88,043              | 75,409              | 12,634                                 |
| Supplies                                     | 23,423              | 23,423              | 22,006              | 1,417                                  |
| Total school administration                  | <u>\$ 2,021,456</u> | <u>\$ 2,021,456</u> | <u>\$ 1,900,746</u> | <u>\$ 120,710</u>                      |
| Business administration -                    |                     |                     |                     |  |
| Salaries                                     | \$ 811,180          | \$ 411,479          | \$ 381,009          | \$ 30,470                              |
| Employee benefits                            | 369,709             | 369,709             | 378,769             | ( 9,060)                               |
| Purchased services                           | 227,234             | 226,434             | 181,180             | 45,254                                 |
| Supplies                                     | 150,000             | 150,000             | 88,247              | 61,753                                 |
| Capital outlay                               | 44,400              | 44,400              | 91,609              | ( 47,209)                              |
| Other objects                                | 5,000               | 5,000               | 20,498              | ( 15,498)                              |
| Total business administration                | <u>\$ 1,607,523</u> | <u>\$ 1,207,022</u> | <u>\$ 1,141,312</u> | <u>\$ 65,710</u>                       |
| Board expenses -                             |                     |                     |                     |  |
| Salaries                                     | \$ 61,992           | \$ 61,992           | \$ 62,413           | \$ ( 421)                              |
| Employee benefits                            | 13,080              | 13,080              | 13,128              | ( 48)                                  |
| Purchased services                           | 166,801             | 217,884             | 215,776             | 2,108                                  |
| Supplies                                     | 5,000               | 5,000               | 6,348               | ( 1,348)                               |
| Other objects                                | 21,050              | 21,050              | 20,783              | 267                                    |
| Total board expenses                         | <u>\$ 267,923</u>   | <u>\$ 319,006</u>   | <u>\$ 318,448</u>   | <u>\$ 558</u>                          |

(Continued)

(The accompanying notes to the required supplementary information are an integral part of this schedule)



TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - EXPENDITURE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Original<br>Budget   | Revised<br>Budget    | Actual               | Variance<br>Favorable<br>(Unfavorable) |
|--|----------------------|----------------------|----------------------|--|
| EXPENDITURES (continued):                                    |                      |                      |                      |  |
| Administrative and general support (continued) -             |                      |                      |                      |  |
| Supervision operation maintenance                            |                      |                      |                      |  |
| of plant services -  |                      |                      |                      |  |
| Salaries   | \$ 189,812           | \$ 189,812           | \$ 193,206           | \$( 3,394)                             |
| Employee benefits  | 70,213               | 70,213               | 74,072               | ( 3,859)                               |
| Purchased services   | <u>1,500</u>         | <u>1,500</u>         | <u>835</u>           | <u>665</u>                             |
| Total supervision operation<br>maintenance of plant services | <u>\$ 261,525</u>    | <u>\$ 261,525</u>    | <u>\$ 268,113</u>    | <u>\$( 6,588)</u>                      |
| Building services -  |                      |                      |                      |  |
| Salaries   | \$ 1,356,877         | \$ 1,356,877         | \$ 1,324,582         | \$ 32,295                              |
| Employee benefits  | 660,286              | 660,286              | 656,226              | 4,060                                  |
| Purchased services   | 211,802              | 218,082              | 217,597              | 485                                    |
| Supplies   | 857,119              | 778,039              | 781,849              | ( 3,810)                               |
| Capital outlay   | <u>6,220</u>         | <u>6,220</u>         | <u>22,577</u>        | <u>( 16,357)</u>                       |
| Total building services                                      | <u>\$ 3,092,304</u>  | <u>\$ 3,019,504</u>  | <u>\$ 3,002,831</u>  | <u>\$ 16,673</u>                       |
| Care/upkeep of grounds -                                     |                      |                      |                      |  |
| Purchased services   | \$ 68,405            | \$ 79,461            | \$ 71,750            | \$ 7,711                               |
| Capital outlay   | <u>13,800</u>        | <u>13,800</u>        | <u>13,301</u>        | <u>499</u>                             |
| Total care/upkeep of grounds                                 | <u>\$ 82,205</u>     | <u>\$ 93,261</u>     | <u>\$ 85,051</u>     | <u>\$ 8,210</u>                        |
| Care/upkeep of equipment -                                   |                      |                      |                      |  |
| Purchased services   | <u>\$ 9,000</u>      | <u>\$ 9,000</u>      | <u>\$ 8,700</u>      | <u>\$ 300</u>                          |
| Other operation and maintenance<br>of plant services         |                      |                      |                      |  |
|  | <u>\$ 6,961</u>      | <u>\$ 6,961</u>      | <u>\$ 11,113</u>     | <u>\$( 4,152)</u>                      |
| Security Services  |                      |                      |                      |  |
| Purchased services   | <u>\$ 4,000</u>      | <u>\$ 4,000</u>      | <u>\$ 5,698</u>      | <u>\$( 1,698)</u>                      |
| Transportation -   |                      |                      |                      |  |
| Salaries   | \$ 1,203,672         | \$ 1,203,672         | \$ 1,189,460         | \$ 14,212                              |
| Employee benefits  | 581,402              | 669,739              | 688,503              | ( 18,764)                              |
| Purchased services   | 172,185              | 172,185              | 182,209              | ( 10,024)                              |
| Supplies   | 406,935              | 526,901              | 570,255              | ( 43,354)                              |
| Capital outlay   | 502,223              | 510,855              | 491,594              | 19,261                                 |
| Other objects  | <u>250</u>           | <u>250</u>           | <u>330</u>           | <u>( 80)</u>                           |
| Total transportation   | <u>\$ 2,866,667</u>  | <u>\$ 3,083,602</u>  | <u>\$ 3,122,351</u>  | <u>\$( 38,749)</u>                     |
| Other support services -                                     |                      |                      |                      |  |
| Salaries   | \$                   | \$                   | \$ 3,570             | \$( 3,570)                             |
| Employee benefits  |                      |                      | <u>403</u>           | <u>( 403)</u>                          |
| Total other support services                                 | <u>\$</u>            | <u>\$</u>            | <u>\$ 3,973</u>      | <u>\$( 3,973)</u>                      |
| Total administrative and general<br>support                  | <u>\$ 10,900,315</u> | <u>\$ 10,666,268</u> | <u>\$ 10,549,234</u> | <u>\$ 117,034</u>                      |
| Total expenditures   | <u>\$ 40,264,377</u> | <u>\$ 40,266,377</u> | <u>\$ 40,035,731</u> | <u>\$ 230,646</u>                      |

(Continued)

(The accompanying notes to the required supplementary  
information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE

GENERAL FUND - EXPENDITURE DETAIL -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Original<br/>Budget</u> | <u>Revised<br/>Budget</u> | <u>Actual</u>       | <u>Variance<br/>Favorable<br/>(Unfavorable)</u> |
|---|----------------------------|---------------------------|---------------------|---|
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES  | \$ 167,729                 | \$ 177,340                | \$ 273,336          | \$ 95,996                                       |
| OTHER FINANCING SOURCES (USES):   |                            |                           |                     |   |
| Transfer - Lunch Fund   | ( 187,000)                 | ( 187,000)                | ( 187,000)          |   |
| Transfer - Capital Construction Fund  | ( 150,000)                 | ( 150,000)                | ( 150,000)          |   |
| Transfer - Agency Fund  | ( 90,000)                  | ( 90,000)                 | ( 90,000)           |   |
| Transfer from - Agency Fund   | <u>226,923</u>             | <u>226,923</u>            | <u>226,923</u>      | <u>226,923</u>                                  |
|   | <u>\$( 200,077)</u>        | <u>\$( 200,077)</u>       | <u>\$( 427,000)</u> | <u>\$ 226,923</u>                               |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER FINANCING SOURCES<br>OVER (UNDER) EXPENDITURES AND<br>OTHER FINANCING USES | \$( 32,348)                | \$( 22,737)               | \$( 153,664)        | <u>\$ 322,919</u>                               |
| FUND BALANCE - Beginning  | <u>5,495,630</u>           | <u>5,495,630</u>          | <u>5,495,630</u>    |   |
| FUND BALANCE - Ending   | <u>\$ 5,463,282</u>        | <u>\$ 5,472,893</u>       | <u>\$ 5,341,966</u> |   |

(The accompanying notes to the required supplementary  
information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE  
GENERAL FUND - EXPENDITURE DETAIL BY DEPARTMENT -  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|                                  | Original<br>Budget   | Revised<br>Budget    | Actual               | Variance<br>Favorable<br>(Unfavorable) |
|----------------------------------|----------------------|----------------------|----------------------|--|
| <b>EXPENDITURES:</b>             |                      |                      |                      |  |
| <b>COMPENSATION</b>              |                      |                      |                      |  |
| Salaries                         | \$ 24,473,590        | \$ 24,073,889        | \$ 23,714,347        | \$ 359,542                             |
| Benefits                         | <u>10,133,761</u>    | <u>10,222,098</u>    | <u>10,222,098</u>    |  |
|                                  | <u>\$ 34,607,351</u> | <u>\$ 34,295,987</u> | <u>\$ 33,936,445</u> | <u>\$ 359,542</u>                      |
| <b>INSTRUCTIONAL SUPPORT</b>     |                      |                      |                      |  |
| Jackson Hole High School         | \$ 383,219           | \$ 379,357           | \$ 379,357           | \$                                     |
| Summit High School               | 30,270               | 30,100               | 30,100               |  |
| Jackson Hole Middle School       | 222,817              | 218,346              | 217,346              |  |
| Jackson Elementary School        | 164,952              | 166,631              | 166,631              |  |
| Colter Elementary School         | 201,690              | 196,924              | 196,924              |  |
| Wilson Elementary School         | 119,223              | 118,303              | 118,303              |  |
| Moran Elementary School          | 32,407               | 31,736               | 31,736               |  |
| Kelly Elementary School          | 25,659               | 27,532               | 27,532               |  |
| Alta Elementary School           | 40,603               | 42,151               | 42,151               |  |
| Special Education                | 930,716              | 1,052,096            | 1,052,096            |  |
| CurriculumAssess/GT              | 402,674              | 469,875              | 469,875              |  |
| Activities - JHMS                | 34,499               | 37,495               | 37,495               |  |
| Activities - JHHS                | 194,893              | 224,184              | 224,184              |  |
| Technology                       | 305,900              | 305,100              | 305,100              |  |
| Nursing                          | 4,500                | 1,891                | 1,891                |  |
| District Leases - Tech           | <u>223,135</u>       | <u>228,305</u>       | <u>228,305</u>       |  |
|                                  | <u>\$ 3,317,157</u>  | <u>\$ 3,530,026</u>  | <u>\$ 3,530,026</u>  | <u>\$</u>                              |
| <b>SUPPORT</b>                   |                      |                      |                      |  |
| Routine maintenance              | \$ 240,981           | \$ 210,904           | \$ 210,904           | \$                                     |
| District Leases - Maintenance    | 77,163               | 88,219               | 88,219               |  |
| Transportation                   | 608,395              | 728,361              | 728,361              |  |
| District Leases - Transportation | <u>444,440</u>       | <u>453,072</u>       | <u>453,072</u>       |  |
|                                  | <u>\$ 1,370,979</u>  | <u>\$ 1,480,556</u>  | <u>\$ 1,480,556</u>  | <u>\$</u>                              |
| <b>CENTRAL ADMINISTRATION</b>    |                      |                      |                      |  |
| BOE/Audit/Legal                  | \$ 182,347           | \$ 233,429           | \$ 233,429           | \$                                     |
| Cent Office/Pers./Comm.          | <u>342,595</u>       | <u>302,776</u>       | <u>302,776</u>       |  |
|                                  | <u>\$ 524,942</u>    | <u>\$ 536,205</u>    | <u>\$ 536,205</u>    | <u>\$</u>                              |
| <b>INSURANCE AND UTILITIES</b>   |                      |                      |                      |  |
| Insurance                        | \$ 232,330           | \$ 236,610           | \$ 236,610           | \$                                     |
| Utilities                        | <u>73,770</u>        | <u>30,204</u>        | <u>30,204</u>        |  |
|                                  | <u>\$ 306,100</u>    | <u>\$ 266,814</u>    | <u>\$ 266,814</u>    | <u>\$</u>                              |
| <b>OTHER</b>                     |                      |                      |                      |  |
| Property rentals                 | \$ 3,280             | \$ 3,280             | \$ 3,280             | \$                                     |
| Tuition - Out-of-state           | <u>225,000</u>       | <u>241,941</u>       | <u>241,941</u>       |  |
|                                  | <u>\$ 228,280</u>    | <u>\$ 245,221</u>    | <u>\$ 245,221</u>    | <u>\$</u>                              |
| <b>TRANSFERS</b>                 |                      |                      |                      |  |
| Agency                           | \$ 90,000            | \$ 90,000            | \$ 90,000            | \$                                     |
| Capital projects fund            | 150,000              | 150,000              | 150,000              |  |
| Enterprise                       | <u>187,000</u>       | <u>187,000</u>       | <u>187,000</u>       |  |
|                                  | <u>\$ 427,000</u>    | <u>\$ 427,000</u>    | <u>\$ 427,000</u>    | <u>\$</u>                              |
| <b>TOTAL EXPENDITURES</b>        | <u>\$ 40,781,809</u> | <u>\$ 40,781,809</u> | <u>\$ 40,422,267</u> | <u>\$ 359,542</u>                      |

(The accompanying notes to the required supplementary  
information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE  
SPECIAL REVENUE FUND - REVENUE AND EXPENDITURE DETAIL  
BUDGET AND ACTUAL (NON-GAAP BASIS)  
FOR THE YEAR ENDED JUNE 30, 2013

|   | Original<br>Budget  | Final<br>Budget     | Actual              | Variance<br>Favorable<br>(Unfavorable) |
|---|---------------------|---------------------|---------------------|--|
| REVENUES:   |                     |                     |                     |  |
| Local Sources   | \$ 226,020          | \$ 226,020          | \$ 252,457          | \$ 26,437                              |
| State Sources -<br>Grants   | 175,000             | 175,000             | 1,128,252           | 953,252                                |
| Federal Sources   | 940,845             | 940,845             | 2,071,206           | 1,130,361                              |
| Total Revenues  | <u>\$ 1,341,865</u> | <u>\$ 1,341,865</u> | <u>\$ 3,451,915</u> | <u>\$ 2,110,050</u>                    |
| EXPENDITURES:   |                     |                     |                     |  |
| Instruction   | \$ 1,475,785        | \$ 1,475,785        | \$ 3,263,542        | \$( 1,787,757)                         |
| Instructional Support   | 11,910              | 11,910              | 240,522             | ( 228,612)                             |
| General Support   | 200,964             | 200,964             | 554,323             | ( 353,359)                             |
| Total Expenditures  | <u>\$ 1,688,659</u> | <u>\$ 1,688,659</u> | <u>\$ 4,058,387</u> | <u>\$( 2,369,728)</u>                  |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES  | \$( 346,794)        | \$( 346,794)        | \$( 606,472)        | <u>\$( 259,678)</u>                    |
| OTHER FINANCING SOURCES (USES)<br>Transfer in   | <u>250,847</u>      | <u>250,847</u>      | <u>529,279</u>      | <u>278,432</u>                         |
| EXCESS (DEFICIENCY) OF REVENUES<br>AND OTHER FINANCING SOURCES<br>OVER (UNDER) EXPENDITURES AND<br>OTHER FINANCING USES | \$( 95,947)         | \$( 95,947)         | \$( 77,193)         |  |
| FUND BALANCE - Beginning  | <u>77,193</u>       | <u>77,193</u>       | <u>( 77,193)</u>    |  |
| FUND BALANCE - Ending   | <u>\$( 18,754)</u>  | <u>\$( 18,754)</u>  | <u>\$</u>           |  |

(The accompanying notes to the required supplementary  
information are an integral part of this schedule)

TETON COUNTY SCHOOL DISTRICT NO. ONE  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. BASIS OF PRESENTATION

The financial statement Statement of Revenues, Expenditures and Changes in Fund Balance on page 7 of this report is prepared on the generally accepted accounting principles (GAAP) basis. The required supplementary information - Budgetary Comparison - General Fund contained on pages 24 through 30 of this report is prepared on the legally enacted basis (cash basis). This results in differences when revenue and expenses are recognized for accounting purposes. Under the GAAP basis, revenues are recognized when measurable and available while the cash basis recognizes revenues when received. For expenditures, the GAAP basis recognizes them when incurred while the cash basis recognizes expenditures when paid.

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

| <u>General Fund</u>  |                      |
|--|----------------------|
| Resources/inflows budgetary basis  | \$ 40,309,067        |
| Differences - budget to GAAP   |                      |
| Property taxes receivable at June 30, 2012 received in the year ending June 30, 2013 included in 2013 budget data                              | ( 1,468,842)         |
| Property taxes receivable at June 30, 2013 for GAAP purposes revenues not included in 2013 budget data   | 1,131,039            |
| Other differences  | 8,520                |
| Revenues GAAP basis  | <u>\$ 39,979,784</u> |
| <br>Total outflows budgetary basis   | <br>\$ 40,035,731    |
| <br>Assets acquired under capital leases that are included as an expenditure under the GAAP basis but not an outflow under the budgetary basis | <br>677,270          |
| Other differences  | 15                   |
| Total expenditures GAAP Basis  | <u>\$ 40,713,016</u> |

The summary by department as adopted and amended in the budget process discloses expenditures exceeded amended budget in the Insurance and Utilities and other Support and total budgeted expenditures were not exceeded. These were immaterial to the budget financial statements taken as a whole.

| <u>Special Revenue Fund</u>   |                     |
|---|---------------------|
| Resources/inflows budgetary basis                                       | \$ 3,451,915        |
| Differences - budget to GAAP  |                     |
| Grants receivable at June 30, 2012                                      | ( 677,290)          |
| Grants receivable at June 30, 2013                                      | 1,022,552           |
| Unearned grant revenue June 30, 2012                                    | 25,724              |
| Unearned grant revenue June 30, 2013                                    | ( 76,490)           |
|   | <u>\$ 3,746,411</u> |
| <br>Total outflows budgetary basis                                      | <br>\$ 4,058,387    |
| Other payables at June 30, 2013 not included in the 2013 budgetary data | 5,098               |
| Total expenditures GAAP Basis   | <u>\$ 4,063,485</u> |

TETON COUNTY SCHOOL DISTRICT NO. ONE

COMBINING BALANCE SHEETS  
NON MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2013

|  | <u>Recreation<br/>District</u> | <u>Major<br/>Maintenance</u> | <u>Capital<br/>Construction</u> | <u>Total</u>        |
|--|--------------------------------|------------------------------|---------------------------------|---------------------|
| <b>ASSETS</b>                          |                                |                              |                                 |                     |
| Cash and cash equivalents              | \$ 296,447                     | \$ 801,994                   | \$ 782,480                      | \$ 1,880,921        |
| Receivables -<br>Property taxes        | <u>32,000</u>                  |                              |                                 | <u>32,000</u>       |
| Total assets                           | <u>\$ 328,447</u>              | <u>\$ 801,994</u>            | <u>\$ 782,480</u>               | <u>\$ 1,912,921</u> |
| <b>LIABILITIES</b>                     |                                |                              |                                 |                     |
| Accounts payable                       | <u>\$</u>                      | <u>\$</u>                    | \$ 112,197                      | \$ 112,197          |
| Total liabilities                      | <u>\$</u>                      | <u>\$</u>                    | <u>\$ 112,197</u>               | <u>\$ 112,197</u>   |
| <b>FUND BALANCES</b>                   |                                |                              |                                 |                     |
| Restricted                             | \$ 328,447                     | \$ 801,994                   | \$                              | \$ 1,130,441        |
| Committed                              |                                |                              | <u>670,283</u>                  | <u>670,283</u>      |
| Total fund balances                    | <u>\$ 328,447</u>              | <u>\$ 801,994</u>            | <u>\$ 670,283</u>               | <u>\$ 1,800,724</u> |
| Total liabilities and fund<br>balances | <u>\$ 328,447</u>              | <u>\$ 801,994</u>            | <u>\$ 782,480</u>               | <u>\$ 1,912,921</u> |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|   | <u>Recreation<br/>District</u> | <u>Major<br/>Maintenance</u> | <u>Capital<br/>Construction</u> | <u>Total</u>        |
|---|--------------------------------|------------------------------|---------------------------------|---------------------|
| <b>REVENUES</b>   |                                |                              |                                 |                     |
| Local sources   | \$ 1,103,638                   | \$ 94                        | \$ 37,275                       | \$ 1,141,007        |
| Federal sources   |                                | <u>1,219,650</u>             | <u>2,378,425</u>                | <u>3,598,075</u>    |
| Total revenues  | <u>\$ 1,103,638</u>            | <u>\$ 1,219,744</u>          | <u>\$ 2,415,700</u>             | <u>\$ 4,739,082</u> |
| <b>EXPENDITURES</b>   |                                |                              |                                 |                     |
| Instruction   | \$                             | \$                           | \$ 229,304                      | \$ 229,304          |
| Instructional support   |                                |                              | 3,819                           | 3,819               |
| General support   | 339,634                        | 485,268                      | 365,686                         | 1,190,588           |
| Capital project outlay  |                                |                              | <u>2,381,071</u>                | <u>2,381,071</u>    |
|   | <u>\$ 339,634</u>              | <u>\$ 485,268</u>            | <u>\$ 2,979,880</u>             | <u>\$ 3,804,782</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b>  | \$ 764,004                     | \$ 734,476                   | \$( 564,180)                    | \$ 934,300          |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                                |                              |                                 |                     |
| Operating transfers in (out)  | <u>( 779,279)</u>              | <u>( 150,000)</u>            | <u>550,000</u>                  | <u>( 379,279)</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>AND OTHER FINANCING SOURCES<br/>OVER EXPENDITURES AND OTHER<br/>FINANCING USES</b> | \$( 15,275)                    | \$ 584,476                   | \$( 14,180)                     | \$ 555,021          |
| FUND EQUITY - Beginning   | <u>343,722</u>                 | <u>217,518</u>               | <u>684,463</u>                  | <u>1,245,703</u>    |
| FUND EQUITY - Ending  | <u>\$ 328,447</u>              | <u>\$ 801,994</u>            | <u>\$ 670,283</u>               | <u>\$ 1,800,724</u> |

(The notes to the basic financial statements are an integral part of this statement)

TETON COUNTY SCHOOL DISTRICT NO. ONE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2013

| <u>Federal Grant/Pass-through<br/>Grantor/Program or Cluster Title</u> | <u>Federal<br/>CFDA<br/>Number</u> |                           | <u>Federal<br/>Expenditures</u> |
|--|------------------------------------|---------------------------|---------------------------------|
| U.S. Department of Agriculture:  |                                    |                           |                                 |
| Passed through Wyoming State   |                                    |                           |                                 |
| Department of Education -  |                                    |                           |                                 |
| National School Lunch  |                                    |                           |                                 |
| Program reimbursements   | 10.555                             | (Commodities of \$21,414) | \$ 355,583                      |
| Fresh Fruit and Vegetable Program                                      | 10.582                             |                           | <u>60,886</u>                   |
|  |                                    |                           | <u>\$ 416,469</u>               |
|  |                                    |                           |                                 |
| U.S. Department of Education:  |                                    |                           |                                 |
| Passed through Wyoming State   |                                    |                           |                                 |
| Department of Education -  |                                    |                           |                                 |
| Title 1 - Grants to Local Education                                    |                                    |                           |                                 |
| Agencies Cluster   | 84.010                             |                           | \$ 516,638                      |
|  |                                    |                           |                                 |
| Special Education - Grants to  |                                    |                           |                                 |
| States (IDEA Part B)   | 84.027                             |                           | 607,502                         |
|  |                                    |                           |                                 |
| Perkins - Career and Technical   |                                    |                           |                                 |
| Education  | 84.048                             |                           | 38,025                          |
|  |                                    |                           |                                 |
| Title 2 - Improving Teacher  |                                    |                           |                                 |
| Quality State Grants   | 84.367                             |                           | 170,116                         |
|  |                                    |                           |                                 |
| 21st CCLC - Twenty-first   |                                    |                           |                                 |
| Century Community  |                                    |                           |                                 |
| Learning Center  | 84.287                             |                           | 64,411                          |
|  |                                    |                           |                                 |
| Title 3 - English Language   |                                    |                           |                                 |
| Acquisition Grants   | 84.365                             |                           | 31,364                          |
| School Improvement Grant   | 84.388                             | ARRA                      | 593,632                         |
|  |                                    |                           |                                 |
| Direct Awards:   |                                    |                           |                                 |
| Mentoring Programs   | 84.184B                            |                           | 64,949                          |
| Teaching American History  | 84.215X                            |                           | 199,174                         |
| Mental Health  | 84.215M                            |                           | <u>51,660</u>                   |
|  |                                    |                           | <u>\$ 2,337,471</u>             |
|  |                                    |                           |                                 |
| Total expenditures of federal awards                                   |                                    |                           | <u>\$ 2,753,940</u>             |



TETON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Teton County School District No. One and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. NATIONAL SCHOOL LUNCH PROGRAM (10.555)

Federal reimbursement for the National School Lunch Program are based on approved rates for services provided and are not reimbursements for specific expenditures. Therefore, this amount represents cash received rather than federal expenditures.

NOTE 3. CONTINGENCIES

The School District receives funds under various federal grant programs and such assistance is to be expended in accordance with the provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of noncompliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have a material financial impact.

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

Board of Trustees  
Teton County School District No. One  
Jackson, Wyoming

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Teton County School District No. One as of and for the year ended June 30, 2013, which collectively comprise Teton County School District No. One's basic financial statements and have issued our report thereon dated DATE, 2013. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Teton County School District No. One's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Teton County School District No. One's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Teton County School District No. One'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 the 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (See item 13-1.)

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Teton County School District No. One's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, 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.

DATE, 2013

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

Board of Trustees  
Teton County School District No. One  
Jackson, Wyoming

**Report on Compliance for Each Major Federal Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

## **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133. Our opinion on each major federal program is not modified.

## **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirements of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 13-2 to be a significant deficiency.

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

DATE, 2013

TETON COUNTY SCHOOL DISTRICT NO. ONE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2013

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the financial statements of Teton County School District No. One.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs. This deficiency is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Teton County School District No. One were disclosed during the audit.
4. One significant deficiency disclosed during the audit of the major federal award programs is reported in the Schedule of Findings and Questioned Costs. The deficiency is not reported as a material weakness.
5. The auditors' report on compliance for the major federal award programs for Teton County School District No. One expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for Teton County School District No. One are reported in this Schedule.
7. The programs tested as major programs included:

|                           |                    |
|---------------------------|--------------------|
| Title I                   | CFDA 84.010        |
| Special Ed                | CFDA 84.027/84.173 |
| School Improvement Grants | CFDA 84.377/84.388 |
| School Nutrition Program  | CFDA 10.555        |
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Teton County School District No. One was not a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCIES**

13-1 Separation of Duties

Criteria: An effective internal control structure of an organization will include procedures and actions to:

1. Protect its assets against theft and waste.
2. Ensure compliance with the organization's policies, procedures and statutory requirements.
3. Evaluate the performance of personnel to promote efficient operations.
4. Ensure accurate and reliable operating and accounting data.

TETON COUNTY SCHOOL DISTRICT NO. ONE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2013

**FINDINGS - FINANCIAL STATEMENTS AUDIT** (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

Separation of duties requires that someone other than the employee responsible for safeguarding the asset must maintain the accounting records for that asset. When an organization separates duties of the employees, it minimizes the probability of an error or irregularity occurring and not being timely detected.

Condition: Due to the small size of the accounting department of the School District, the possibility of adequate separation of duties over certain transaction cycles is limited.

Recommendation: While we recognize that it is impractical for the School District to achieve complete separation of duties over all transaction cycles within the School District, it is important that the Board be aware that the chance of errors and irregularities not being timely detected is elevated.

Auditee Response: The District has separated duties to the extent possible and has implemented compensating controls to monitor the accounting activities.

**FINDINGS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

DEPARTMENT OF EDUCATION (Passed through Wyoming Department of Education)

- 13-2 CFDA 84.010- Title I
- CFDA 84.027/84.173- Special Education Cluster
- CFDA 84.377/84.388 - School Improvement Grant

DEPARTMENT OF AGRICULTURE (Passed through Wyoming Department of Education)

CFDA 10.555 - School Nutrition Program

Significant Deficiency: Refer to Item 13-1 in the Findings - Financial Statements Audit for discussion regarding this item.

TETON COUNTY SCHOOL DISTRICT NO. ONE

STATUS OF PRIOR YEAR'S FINDINGS

**FINDINGS - FINANCIAL STATEMENTS AUDIT**

12-1 Separation of Duties

Ongoing comment and condition.

**FINDINGS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT**

Title I/Title I ARRA CFDA 84.010/84.389  
Special Education Cluster CFDA 84.027/84.173/84.391/84.392  
School Improvement Grant CFDA 84.377/84.388

12-2 Separation of Duties

Ongoing comment and condition.