

Uinta County School District No. 1

Financial Report
June 30, 2013

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Report of Independent Auditor

The Board of Trustees
Uinta County School District No. 1
Evanston, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uinta County School District No. 1 (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uinta County School District No. 1, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16, the budgetary comparison schedules on pages 53 through 58, and the schedule of funding progress on page 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

DeCoria, Maichel + Teague, P.S.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington

September 23, 2013

**Uinta County School District No. 1
Management's Discussion and Analysis
June 30, 2013**

As management of Uinta County School District No. 1, we offer readers of the Uinta County School District No. 1's financial statements this narrative overview and analysis of the financial activities of Uinta County School District No. 1 for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the basic financial statements and notes to those statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of Uinta County School District No. 1 exceeded its liabilities at the close of the most recent fiscal year by \$54,055,921 (*net position*). Of this amount, \$4,873,947 represents unrestricted net position, which may be used to meet the government's ongoing obligations to its citizens and creditors.
- The Uinta County School District No. 1's net position increased \$386,019 or 0.7% over the prior fiscal year.
- At the close of the current fiscal year, the Uinta County School District No. 1's governmental funds reported combined fund balances of \$4,753,267, a decrease of \$40,881 in comparison with the prior year. The decrease was mostly due to a spend down of major maintenance fund balance in the 2013 fiscal year to complete some projects. Approximately 87% of this amount (\$4,146,837) is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$4,318,998 or 11.2% of the total general fund expenditures.
- The Uinta County School District No. 1's total outstanding long-term debt decreased \$83,161 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provided here are intended to serve as an introduction to the Uinta County School District No. 1's basic financial statements. The Uinta County School District No. 1's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the Uinta County School District No. 1's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on the Uinta County School District No. 1's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Uinta County School District No. 1 is improving or deteriorating.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

The *statement of activities* presents information showing how the Uinta County School District No.1's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Uinta County School District No. 1 that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The business-type activities of Uinta County School District No. 1 are the food services fund and the employee benefit fund.

The government-wide financial statements include not only Uinta County School District No. 1 itself (known as the *primary government*), but also legally separate Evanston Parks and Recreation District and Uinta County School District No. 1 Board of Cooperative Education Services (BOCES) to which the Uinta County School District No.1 is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements begin on page 17 of this report.

The component unit financial statements begin on page 28.

Fund financial statements – A *fund* is a group of related accounts used to maintain control over segregated resources that have been segregated for specific activities or objectives. Uinta County School District No. 1, like other state and local governments, uses fund accounting to ensure and demonstrate financial compliance with legal requirements. All of the funds of Uinta County School District No. 1 can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Uinta County School District No. 1 maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund; local, state and federal grants fund; the capital construction fund; and major maintenance fund.

Uinta County School District No. 1 adopts an annual appropriated budget for its governmental and proprietary funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on page 19 of this report.

Proprietary funds – Uinta County School District No. 1 maintains two proprietary funds, the food services fund and the employee benefit fund. The food services fund accounts for food services provided to both students and staff; the financial activities of the school lunch program are reported as a business-type activity. The employee benefit fund provides a buffer to protect Uinta County School District No. 1 from rising health insurance costs. Insurance costs pass from other funds through the employee benefit fund to insurance providers.

The proprietary fund financial statements begin on page 23.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the Uinta County School District No. 1's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Uinta County School District No. 1 maintains three different types of fiduciary funds. The *early retirement fund* is used to report resources held in trust for retirees who have received an offer to retire early in lieu of contributions that can be used to pay for retiree health insurance or for individual medical savings accounts. The *student scholarship fund* holds money donated to the school district to be used for higher education scholarships. Most of the scholarships are foundational, meaning the award must be paid out of interest income derived from investments. The *student activity fund* holds resources held in trust by Uinta County School District No. 1 to pay for activities, clubs and associations, and extra costs that are additional to the general curriculum. The student activity funds do not report a net position.

The fiduciary fund financial statements begin on page 26.

Notes to basic financial statements – The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 through 51 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Uinta County School District No. 1's progress in funding its obligation to provide other post-employment benefits (OPEB) to its employees. Required supplementary information can be found on page 60 of this report.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of Uinta County School District No. 1, assets exceeded liabilities by \$54,055,921, at the close of the most recent fiscal year.

Uinta County School District No. 1's Net Position

	Governmental Activities		Business-type Activities		Total School District		Total Percent Change
	2013	2012	2013	2012	2013	2012	2012-2013
Current and other assets	\$10,248,559	\$9,828,265	\$1,231,346	\$938,600	\$11,479,905	\$10,766,865	6.6%
Capital Assets	50,343,150	49,895,853	538,092	1,054,313	50,881,242	50,950,166	(0.1%)
Total Assets	60,591,709	59,724,118	1,769,438	1,992,913	62,361,147	61,717,031	1.0%
Current Liabilities	6,007,265	5,822,677	41,967	36,775	6,049,232	5,859,452	3.2%
Noncurrent Liabilities	2,255,994	2,187,677	-	-	2,255,994	2,187,677	3.1%
Total Liabilities	8,263,259	8,010,354	41,967	36,775	8,305,226	8,047,129	3.2%
Net Position							
Invested in capital assets, net of related debt	48,486,056	47,899,487	538,092	1,054,313	49,024,148	48,953,800	0.1%
Restricted	157,826	198,322	-	-	157,826	198,322	(20.4%)
Unrestricted	3,684,568	3,615,955	1,189,379	901,825	4,873,947	4,517,780	7.9%
Total Net Position	\$52,328,450	\$51,713,764	\$1,727,471	\$1,956,138	\$54,055,921	\$53,669,902	0.7%

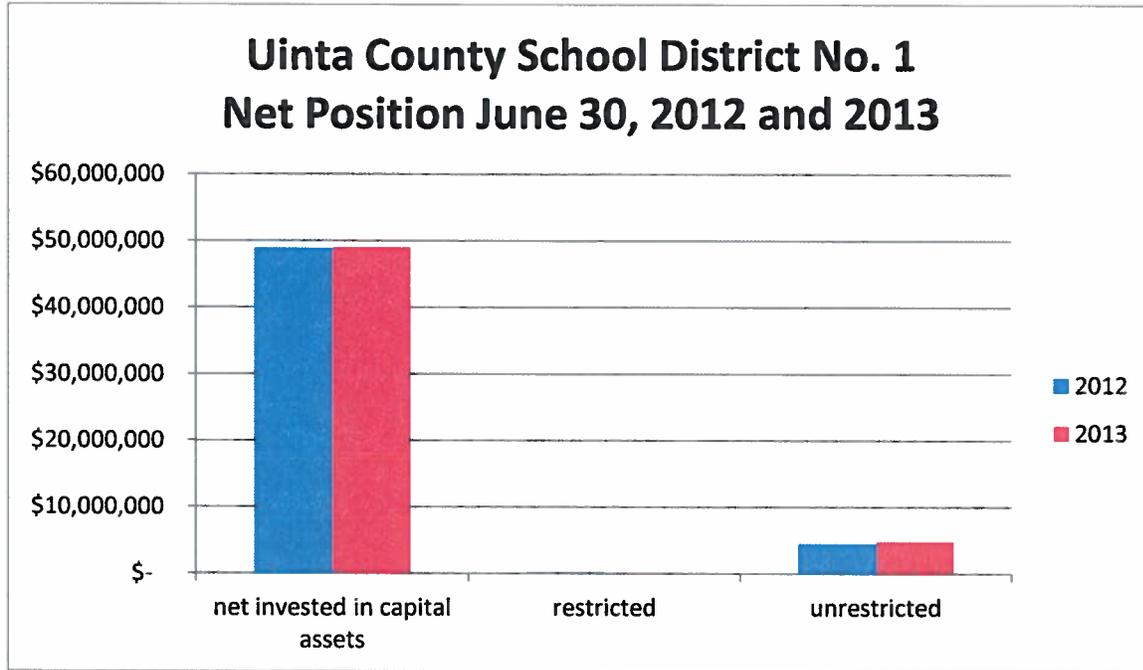
By far, the largest portion of the Uinta County School District No. 1's net position (90.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. Uinta County School District No. 1 uses these capital assets to provide a variety of services to its students and citizens. Accordingly, these assets are not available for future spending. Although the Uinta County School District No. 1's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Uinta County School District No. 1's net position (0.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$4,873,947 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, Uinta County School District No. 1 reports positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Uinta County School District No. 1
 Management's Discussion and Analysis, Continued
 June 30, 2013**

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS, Continued



Total net position increased by \$386,019 or a net position increase over the prior year of 0.7%. This improvement in the District's financial position came from its governmental activities and not from its business-type activities, with net position increasing \$614,686 in governmental activities and decreasing \$228,667 in business-type activities.

Governmental activities – During the current fiscal year, net position for governmental activities increased by \$614,686, with much of the increase, \$586,569, coming from changes in capital assets, including a land transfer. There was also a small decrease in restricted net position, (\$40,496), and a small increase in unrestricted governmental unrestricted, \$68,613.

Business-type activities – The net position for total business-type activities decreased \$228,667. Food services fund recorded a change of \$429,144 largely stemming from an asset transfer to the general fund. Employee benefit fund recorded an increase in net position of \$200,477. This was due to transfers from other funds to pay for the early release offer.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS, Continued

Uinta County School District No. 1's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Uinta County School District No. 1		Total Percent Change 2012-2013
	2013	2012	2013	2012	2013	2012	
Revenues							
Program Revenues							
Charges for services	\$ -	\$ -	\$620,854	\$658,799	\$620,854	\$658,799	(5.8%)
Operating grants and contributions	3,264,306	3,691,546	762,884	711,599	4,027,190	4,403,145	(8.5%)
Capital construction grants	1,791,692	1,149,051	-	-	1,791,692	1,149,051	55.9%
General Revenues							
Property taxes	13,238,349	12,349,592	-	-	13,238,349	12,349,592	7.2%
Interest	12,734	26,996	708	1,636	13,442	28,632	(53.1%)
Other local sources	1,324,127	1,259,031	-	-	1,324,127	1,259,031	5.2%
Other county sources	632,962	695,052	-	-	632,962	695,052	(8.9%)
State aid, unrestricted	23,219,514	24,795,815	-	-	23,219,514	24,795,815	(6.4%)
State aid, restricted	1,324,961	3,903,094	-	-	1,324,961	3,903,094	(66.1%)
Employee benefits, net	-	-	23,106	(22,268)	23,106	(22,268)	(203.8)%
Total Revenues	\$44,808,645	\$47,870,177	\$1,407,552	\$1,349,766	\$46,216,197	\$49,219,943	(6.1)%
Expenses							
Instruction	\$23,593,466	\$24,075,195	\$ -	\$ -	\$23,593,466	\$24,075,195	(2.0%)
Pupil and Staff services	5,807,536	5,776,637	-	-	5,807,536	5,776,637	0.5%
Central, school and business administration	4,669,769	4,460,967	-	-	4,669,769	4,460,967	4.7%
Maintenance	5,140,448	4,513,863	-	-	5,140,448	4,513,863	13.9%
Transportation	2,158,047	1,924,293	-	-	2,158,047	1,924,293	12.1%
Capital construction	18,110	67,248	-	-	18,110	67,248	(73.1)%
Depreciation	2,764,676	2,634,319	-	-	2,764,676	2,634,319	4.9%
Food services	-	-	1,669,444	1,602,980	1,669,444	1,602,980	4.1%
Total expenses	\$44,152,052	\$43,452,562	\$1,669,444	\$1,602,980	\$45,821,496	\$45,055,502	1.7%
Excess (deficiency) before transfers	656,593	4,417,655	(261,892)	(253,214)	394,701	4,164,441	(90.5%)
Transfers from (to) other funds	(502,670)	(805,764)	502,670	448,500	-	(357,264)	100%
Transfers of land from business type activities	460,763	-	(460,763)	-	-	-	-
Gain (loss) on disposal of capital assets	-	(2,171)	(8,682)	3,677	(8,682)	1,506	(676.5%)
Increase (decrease) in net position	\$614,686	\$3,609,720	(\$228,667)	\$198,963	\$386,019	\$3,808,683	(89.9)%

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS, Continued

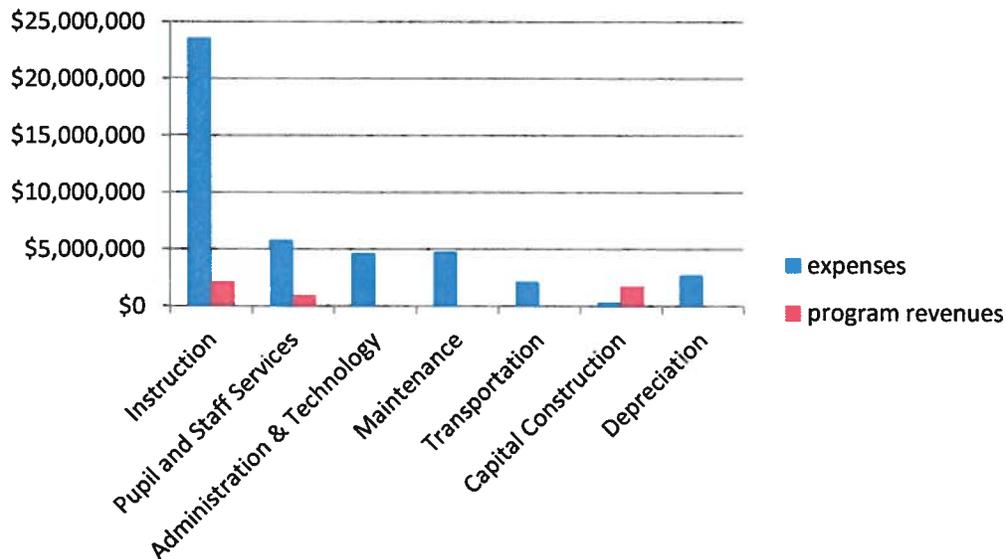
The following table presents the cost of eight major district activities: instruction, pupil and instructional services, administration, maintenance, transportation, capital construction, interest on long-term debt, and depreciation. The table also shows each activity's *net cost* (total cost less intergovernmental aid provided by other organizations, the State of Wyoming, or the federal government for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Expenses and Net Cost of Governmental Activities

	Total Cost of Services		Percentage Change 2012-2013	Net Cost of Services		Percentage Change 2012-2013
	2013	2012		2013	2012	
Instruction	\$23,593,466	\$24,075,195	(2.0%)	\$21,398,011	\$21,610,119	(1.0%)
Pupil and Staff Services	5,807,536	5,776,637	0.5%	4,808,735	4,613,357	4.2%
Administration	4,669,769	4,460,967	4.7%	4,608,201	4,414,289	4.4%
Maintenance	5,140,448	4,513,863	13.9%	5,131,966	4,497,351	14.1%
Transportation	2,158,047	1,924,293	12.1%	2,158,047	1,924,293	12.1%
Capital Construction	18,110	67,248	(73.1)%	(1,773,582)	(1,081,803)	63.9%
Depreciation	2,764,676	2,634,319	4.9%	2,764,676	2,634,319	4.9%
Total	\$44,152,052	\$43,452,522	1.6%	\$39,096,054	\$38,611,925	1.3%

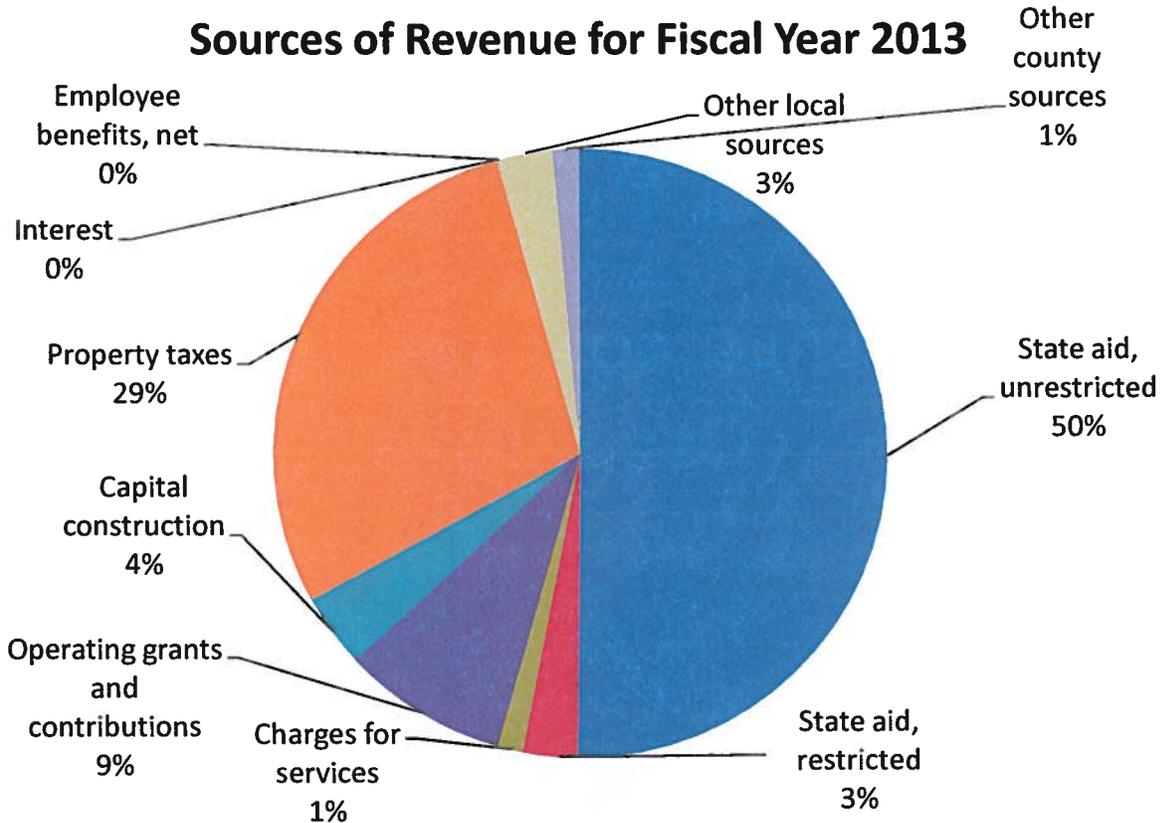
Total cost of governmental activities for 2012-2013 totaled \$44,152,052. To calculate the net cost to the District for governmental activities, monies received from federal and state governments that subsidized certain programs with grants and contributions totaling \$5,055,998 are deducted, bringing the total net cost of services to \$39,096,054. The following chart graphically represents the expenses and program revenues in comparison:

Expenses and Program Revenues – Governmental Activities



Uinta County School District No. 1
Management's Discussion and Analysis, Continued
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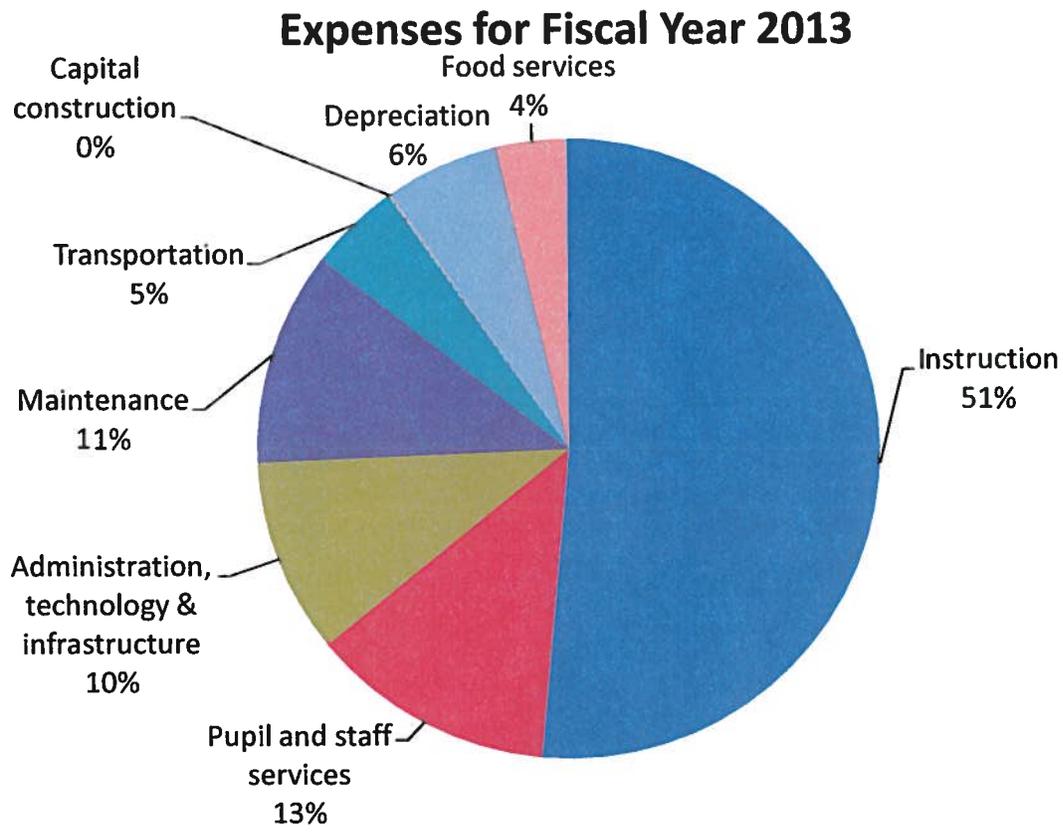
GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS, Continued



Fund types presented: general, special revenue, capital projects, and proprietary.

Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS, Continued



Fund types presented: general, special revenue, capital projects, and proprietary.

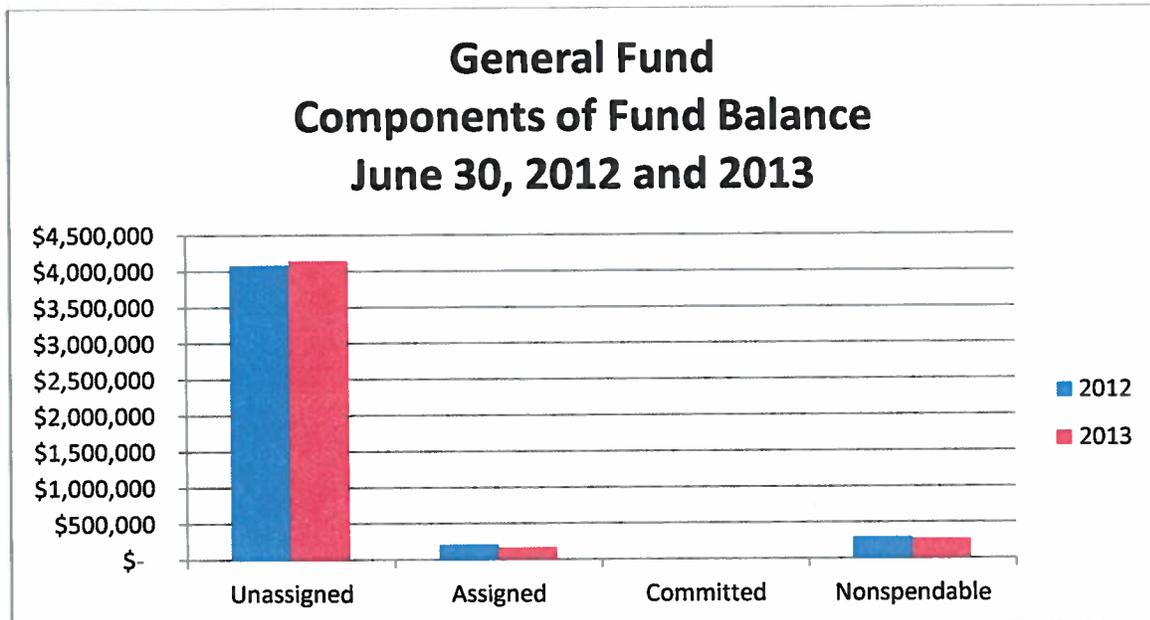
**Uinta County School District No. 1
 Management's Discussion and Analysis, Continued
 June 30, 2013**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, Uinta County School District No. 1 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Uinta County School District No. 1's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Uinta County School District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Uinta County School District No. 1 itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Uinta County School District No. 1's Board of Trustees.

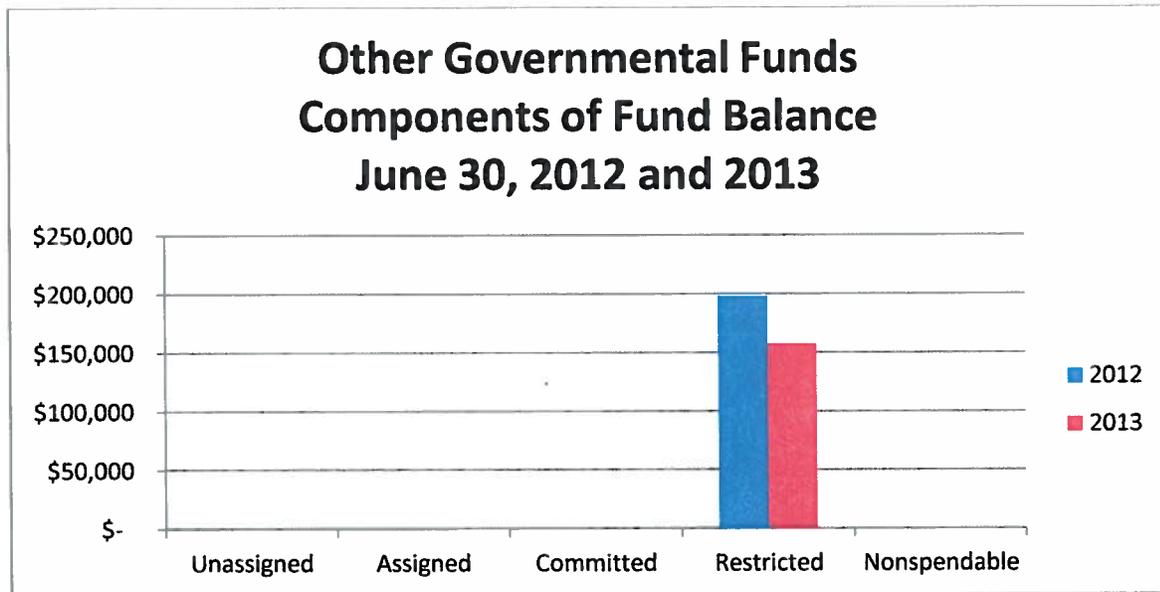
At June 30, 2013, the Uinta County School District No. 1's governmental funds reported combined fund balances of \$4,753,267, a decrease of \$40,881 in comparison with the prior year. Approximately 87.2% of this amount (\$4,146,837) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, restricted, committed or assigned* to indicate that it is 1) not in a spendable form (\$276,443), 2) restricted for particular purposes (\$157,826), or 3) assigned for particular purposes (\$172,161).



**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS, Continued

The general fund is the chief operating fund of Uinta County School District No. 1. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,146,837, while total fund balance decreased to \$4,595,441. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 10.8% of total general fund expenditures, while total fund balance represents approximately 11.9% of that same amount.



The fund balance of the Uinta County School District No. 1's general fund decreased by \$385 during the current fiscal year, largely holding steady.

The capital project fund, a major fund, had a slight \$59 increase due to interest. Major maintenance, another major fund, decreased \$40,555 due to completion of projects that required those funds.

Proprietary Funds – The Uinta County School District No. 1's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the food services fund and the employee benefit fund at the end of the year was \$141,532 and \$1,047,847, respectively. The change in net position for the food services fund was largely attributable to the demolition of the central kitchen building and the transfer of the land upon which it stood to the general fund. The employee benefit fund recorded increases due to scheduled paybacks from the general fund and the early retirement fund for the 2012 early release agreement.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

GENERAL BUDGETARY HIGHLIGHTS

Original budget compared to final budget – There was a shift of local resources to state resources due to an assessed valuation change that occurred after the initial budget was approved. This resulted in no net change to revenue, but a shift in state rather than local resources. On the expenditure side, during the year, Uinta County School District No. 1 made financial decisions to provide a Christmas bonus to each employee. The ending budgeted expenditures also increased due to increased utility usage and rates, increased costs in transportation due to a series of unexpected engine rebuilds, mandated purchases of radios, and a purchase of a bus and two suburbans that were not in the original budget. General fund capital construction budget was increased to record the land transfer from the student lunch fund. There was an overage on the final budget that was due to a payment that was labeled 2013 from the Wyoming School Boards Association. Upon review, the business office determined that it related to the prior year and it was accrued, but without a corresponding increase in the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets – The Uinta County School District No. 1's investment in capital assets for its governmental and business-type activities as of June 30, 2013, amounts to \$50,861,272 (net of accumulated depreciation). This investment of capital assets includes land, buildings, machinery, equipment, and vehicles. The total decrease in capital assets (net of depreciation) for the current fiscal year was approximately 0.1%.

**Uinta County School District No. 1's Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2013	2012	2013	2012	2013	2012	2012-2013
Buildings and building improvements	\$41,150,615	\$41,367,599	\$ -	\$8,947	\$41,150,615	\$41,376,546	(0.5)%
Equipment	2,489,026	2,649,372	538,092	584,603	3,027,118	3,233,975	(6.4)%
Vehicles	982,834	1,150,872	-	-	982,834	1,150,872	(14.6)%
Construction in progress	1,133,924	621,992	-	-	1,133,924	621,992	82.3%
Land	4,566,781	4,106,018	-	460,763	4,566,781	4,566,781	0.0%
Total	\$50,323,180	\$49,895,853	\$538,092	\$1,054,313	\$50,861,272	\$50,950,166	(0.2)%

Major capital asset events during the current fiscal year included the following:

- The purchase of a bus and two suburbans for \$210,858.
- The replacement of the bleachers at Evanston High School for \$356,403.
- A new parking lot at North Elementary for \$349,175.
- The beginning of the paving loop at Uinta Meadows Elementary (\$489,981 construction in progress).
- The improvement of Clark Elementary soccer field for \$110,138.
- The design phase for a renovated Evanston Middle School (\$156,694 construction in progress).
- The demolition and transfer of the annex and the central kitchen buildings, along with the reassigning of the land to the general fund.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

CAPITAL ASSETS AND DEBT ADMINISTRATION, Continued

Additional information on the Uinta County School District No. 1's capital assets can be found on page 43 of this report.

Long-term Debt – At the end of the current fiscal year, Uinta County School District No. 1 had no general obligation bonds outstanding. At the year-end, it had long-term obligations of \$2,838,827 comprised of capital lease obligations (\$1,857,094) and accrued compensated absences (\$981,733). The capital lease obligations comprise bus and transportation leases and a lease of equipment that increases utility efficiency. Accrued compensated absences include unused sick leave or vacation for employees.

Uinta County School District No. 1 Outstanding Debt

	Total School District		Total Percent Change
	2013	2012	2012-2013
Other general obligation debt – capital lease obligations	\$1,857,094	\$1,996,366	(7.0%)
Other general obligation debt – accrued compensated absences	981,733	887,815	6.3%
Total	\$2,838,827	\$2,884,181	(2.9%)

The Uinta County School District No. 1's total debt decreased by \$83,161 during the current fiscal year; while there was an increase in accrued absences due to fewer employees taking leave in the current year, there was also payments made on the energy efficiency and bus leases which lowered the total amount obligated by Uinta County School District No. 1. Additional information on the Uinta County School District No. 1's long-term debt can be found on page 45 of this report.

Presently, Uinta County School District No. 1 is not rated by any of the rating agencies such as Fitch, Moody's, or S&P.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors currently affect Uinta County School District No. 1 and were considered in developing the 2013-2014 fiscal year budget.

- The District's ADM has been slightly declining over the past couple years: from a three-year rolling average ADM of 2,899 in fiscal year 2012 to 2,873 in fiscal year 2013, a decrease of 0.9%.
- The State of Wyoming offered no cost of living adjustments to the WDE100 funding model for the 2013-2014 school year.
- Uinta County School District No. 1 had an extraordinary year of low health insurance usage in fiscal year 2012-2013. The health insurance rates remained the same for the 2013-2014 fiscal year.
- Uinta County School District No. 1 continues to purchase a catastrophic liability policy to protect itself from unforeseen losses in excess of \$1 million.

**Uinta County School District No. 1
Management's Discussion and Analysis, Continued
June 30, 2013**

FACTORS BEARING ON THE DISTRICT'S FUTURE

In Wyoming, because of the State of Wyoming Block Grant Funding Model and the supporting legislation behind it, revenues to K-12 public schools are *guaranteed* to a pre-calculated amount. That pre-calculated amount is guaranteed by the State of Wyoming, regardless of how much or how little local taxes are collected. When local taxes fail to meet the guaranteed amount, the State of Wyoming makes up the shortfall from the School Foundation Account.

Beginning in fiscal year 2003, the State Department of Audit began auditing the information submitted by districts to the State at least once every three years. If the Department of Audit finds errors in the data submitted by a district, a retroactive funding adjustment is made. The District has no state audit findings or adjustments outstanding as of June 30, 2013.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Uinta County School District No. 1, 537 10th Street, P.O. Box 6002, Evanston, WY 82931.

Uinta County School District No. 1
Statement of Net Position - District-Wide
June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 1,426,090	\$ 45,518	\$ 1,471,608	\$ 1,580,048
Investments	7,449,547	999,402	8,448,949	2,888,670
Accounts receivable, net	11,477	1,780	13,257	131,586
Related party accounts receivable	1,452	-	1,452	-
Grants and contracts receivable	909,040	22,231	931,271	-
Property taxes receivable	269,128	-	269,128	1,710
Inventories	276,443	67,797	344,240	8,161
Internal balances	(94,618)	94,618	-	-
Total current assets	10,248,559	1,231,346	11,479,905	4,610,175
Noncurrent assets:				
Capital assets, net	50,323,180	538,092	50,861,272	1,078,814
Total noncurrent assets	50,323,180	538,092	50,861,272	1,078,814
Total assets	60,571,739	1,769,438	62,341,177	5,688,989
LIABILITIES				
Current liabilities:				
Accounts payable	639,415	-	639,415	122,968
Related party accounts payable	-	-	-	1,452
Accrued payroll liabilities	4,730,949	4,160	4,735,109	103,463
Unearned revenue	-	-	-	116,667
Accrued compensated absences, due within one year	268,515	37,807	306,322	122,687
Capital lease obligations, due within one year	368,386	-	368,386	-
Total current liabilities	6,007,265	41,967	6,049,232	467,237
Noncurrent liabilities:				
Accrued compensated absences, due after one year	675,411	-	675,411	197,916
Capital lease obligations, due after one year	1,488,708	-	1,488,708	-
Other postemployment benefit obligation, net	91,875	-	91,875	-
Total noncurrent liabilities	2,255,994	-	2,255,994	197,916
Total liabilities	8,263,259	41,967	8,305,226	665,153
NET POSITION				
Invested in capital assets, net of related debt	48,466,086	538,092	49,004,178	1,078,814
Restricted for major maintenance projects	146,314	-	146,314	-
Restricted for construction projects	11,512	-	11,512	-
Restricted for program requirements	-	-	-	5,441
Unrestricted	3,684,568	1,189,379	4,873,947	3,939,581
Total net position	\$ 52,308,480	\$ 1,727,471	\$ 54,035,951	\$ 5,023,836

The accompanying notes are an integral part of the financial statements.

Uinta County School District No. 1
 Statement of Activities - District-Wide
 Year Ended June 30, 2013

Functions/Programs	Primary Government						Total	Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		
Governmental activities:								
Instruction:								
Regular instruction	\$ 16,033,430	\$ -	\$ 1,000	\$ -	\$ (16,032,430)		\$ (16,032,430)	\$ -
Special instruction	6,627,499	-	2,043,398	-	(4,584,101)		(4,584,101)	-
Vocational instruction	862,304	-	103,060	-	(759,244)		(759,244)	-
Distance instruction	70,233	-	47,997	-	(22,236)		(22,236)	-
Total instruction	23,593,466	-	2,195,455	-	(21,398,011)		(21,398,011)	-
Support services:								
Pupil services	3,168,369	-	15,882	-	(3,152,487)		(3,152,487)	-
Staff services	2,639,167	-	982,919	-	(1,656,248)		(1,656,248)	-
Central administration	2,127,692	-	61,568	-	(2,066,124)		(2,066,124)	-
School administration	1,838,528	-	-	-	(1,838,528)		(1,838,528)	-
Business administration	703,549	-	-	-	(703,549)		(703,549)	-
General maintenance	5,140,448	-	8,482	-	(5,131,966)		(5,131,966)	(28,844)
Transportation services	2,158,047	-	-	-	(2,158,047)		(2,158,047)	-
Capital construction	18,110	-	-	1,791,692	1,773,582		1,773,582	-
Depreciation	2,784,646	-	-	-	(2,784,646)		(2,784,646)	-
Administration, parks and recreation	-	-	-	-	-		-	(337,474)
Contractual services, cemetery	-	-	-	-	-		-	(26,978)
Contractual services, golf course	-	-	-	-	-		-	(82,142)
Instruction and administration	-	-	-	-	-		-	(407,280)
Support services	-	-	-	-	-		-	(374,571)
General administration	-	-	-	-	-		-	(372,020)
Contractual services, other	-	-	-	-	-		-	(210,304)
Building lease and operations	-	-	-	-	-		-	54,415
Total support services	20,578,556	-	1,068,851	1,791,692	(17,718,013)		(17,718,013)	(1,785,198)
Total governmental activities	44,172,022	-	3,264,306	1,791,692	(39,116,024)		(39,116,024)	(1,785,198)
Business-type activities:								
Food services	1,669,444	620,854	762,884	-		\$ (285,706)	(285,706)	-
Employee benefits	6,409,224	6,432,330	-	-		23,106	23,106	-
Total business-type activities	8,078,668	7,053,184	762,884	-		(262,600)	(262,600)	-
Total school district	\$ 52,250,690	\$ 7,053,184	\$ 4,027,190	\$ 1,791,692	(39,116,024)		(39,378,624)	(1,785,198)
General revenue:								
Property taxes					13,238,349	-	13,238,349	1,675,866
Interest and investment earnings					12,734	708	13,442	11,006
Other local sources					1,324,127	-	1,324,127	2,310
Other county sources					632,962	-	632,962	-
State aid, restricted					1,324,961	-	1,324,961	-
State aid, unrestricted					23,219,514	-	23,219,514	-
Transfers from (to) other funds					(502,670)	502,670	-	-
Loss on disposal of capital assets					-	(8,682)	(8,682)	(3,215)
Total general revenue					39,249,977	494,696	39,744,673	1,685,967
Excess (deficiency) of revenues over (under) expenses before special items								
					133,953	232,096	366,049	(99,231)
Special items:								
Transfer of land from business-type activities					460,763	(460,763)	-	-
Change in net position					594,716	(228,667)	366,049	(99,231)
Total net position, beginning of year					51,713,764	1,956,138	53,669,902	5,123,067
Total net position, end of year	\$ 52,308,480				\$ 1,727,471	\$ 54,035,951	\$ 5,023,836	

The accompanying notes are an integral part of the financial statements.

Uinta County School District No. 1
Balance Sheet - Governmental Funds
June 30, 2013

	General Fund	Local, State and Federal Grants	Capital Construction Fund	Major Maintenance Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,349,206	\$ 500	\$ 69,603	\$ 6,781	\$ 1,426,090
Investments	7,194,275	-	-	255,272	7,449,547
Accounts receivable	11,477	-	-	-	11,477
Related party accounts receivable	1,452	-	-	-	1,452
Grants and contracts receivable	-	840,923	68,117	-	909,040
Property taxes receivable	269,128	-	-	-	269,128
Inventories	276,443	-	-	-	276,443
Due from other funds	965,884	-	-	-	965,884
Total assets	<u>\$ 10,067,865</u>	<u>\$ 841,423</u>	<u>\$ 137,720</u>	<u>\$ 262,053</u>	<u>\$ 11,309,061</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 524,233	\$ -	\$ 31,825	\$ 83,357	\$ 639,415
Accrued payroll liabilities	4,728,645	2,304	-	-	4,730,949
Unearned property taxes	124,928	-	-	-	124,928
Due to other funds	94,618	839,119	94,383	32,382	1,060,502
Total liabilities	<u>5,472,424</u>	<u>841,423</u>	<u>126,208</u>	<u>115,739</u>	<u>6,555,794</u>
Fund balances:					
Nonspendable:					
Inventories	276,443	-	-	-	276,443
Restricted for:					
Major maintenance projects	-	-	-	146,314	146,314
Construction projects	-	-	11,512	-	11,512
Assigned to:					
Instruction	3,626	-	-	-	3,626
Transportation services	168,535	-	-	-	168,535
Unassigned	4,146,837	-	-	-	4,146,837
Total fund balances	<u>4,595,441</u>	<u>-</u>	<u>11,512</u>	<u>146,314</u>	<u>4,753,267</u>
Total liabilities and fund balances	<u>\$ 10,067,865</u>	<u>\$ 841,423</u>	<u>\$ 137,720</u>	<u>\$ 262,053</u>	<u>\$ 11,309,061</u>

The accompanying notes are an integral part of the financial statements.

Uinta County School District No. 1
Reconciliation of the Balance Sheet - Governmental Funds
with the Statement of Net Position - District-Wide
June 30, 2013

Amounts reported for governmental activities in the Statement of Net Position - District-Wide are different because:

Total fund balances - Governmental Funds		\$ 4,753,267
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:		
The cost of capital assets is	\$ 91,273,041	
Accumulated depreciation is	<u>(40,949,861)</u>	50,323,180
Property taxes receivable will be collected, but are not available soon enough to pay for current period liabilities, and are therefore reported as unearned property taxes in the governmental funds.		124,928
Noncurrent liabilities, including accrued compensated absences, capital lease obligations and other postemployment benefit obligations, net, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:		
Accrued compensated absences, due within one year	(268,515)	
Capital lease obligations, due within one year	(368,386)	
Accrued compensated absences, due after one year	(675,411)	
Capital lease obligations, due after one year	(1,488,708)	
Other postemployment benefit obligation, net	<u>(91,875)</u>	<u>(2,892,895)</u>
Total net position - District-Wide		<u><u>\$ 52,308,480</u></u>

Uinta County School District No. 1
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2013

	General Fund	Local, State and Federal Grants	Capital Construction Fund	Major Maintenance Fund	Total Governmental Funds
Revenues:					
Property taxes	\$ 13,113,421	\$ -	\$ -	\$ -	\$ 13,113,421
Interest and investment earnings	12,194	-	59	481	12,734
Other local sources	1,324,127	1,000	-	-	1,325,127
Other county sources	632,962	-	-	-	632,962
State sources	23,219,514	1,224,621	1,324,961	1,791,692	27,560,788
Federal sources	-	2,038,685	-	-	2,038,685
Total revenues	38,302,218	3,264,306	1,325,020	1,792,173	44,683,717
Expenditures:					
Instruction:					
Regular instruction	16,025,371	1,000	-	-	16,026,371
Special instruction	4,559,779	2,098,488	-	-	6,658,267
Vocational instruction	758,249	103,060	-	-	861,309
Distance instruction	22,125	47,997	-	-	70,122
Total instruction	21,365,524	2,250,545	-	-	23,616,069
Support services:					
Pupil services	3,540,829	15,882	-	-	3,556,711
Staff services	1,652,440	982,919	-	-	2,635,359
Central administration	2,085,048	61,568	-	-	2,146,616
School administration	1,836,078	-	-	-	1,836,078
Business administration	702,572	-	-	-	702,572
General maintenance	4,454,523	8,482	331,219	1,785,392	6,579,616
Transportation services	2,366,023	-	-	-	2,366,023
Capital construction	460,763	-	993,742	-	1,454,505
Total support services	17,098,276	1,068,851	1,324,961	1,785,392	21,277,480
Total expenditures	38,463,800	3,319,396	1,324,961	1,785,392	44,893,549
Excess (deficiency) of revenues over (under) expenditures	(161,582)	(55,090)	59	6,781	(209,832)
Other financing sources (uses):					
Transfers from (to) other funds	(510,424)	55,090	-	(47,336)	(502,670)
Proceeds from capital leases	210,858	-	-	-	210,858
Transfer of land from business-type activities	460,763	-	-	-	460,763
Net change in fund balances	(385)	-	59	(40,555)	(40,881)
Total fund balances, beginning of year	4,595,826	-	11,453	186,869	4,794,148
Total fund balances, end of year	\$ 4,595,441	\$ -	\$ 11,512	\$ 146,314	\$ 4,753,267

The accompanying notes are an integral part of the financial statements.

Uinta County School District No. 1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds with the Statement of Activities - District-Wide
Year Ended June 30, 2013

Amounts reported for governmental activities in the Statement of Activities - District-Wide are different because:

Net change in fund balances - Governmental Funds	\$ (40,881)
Capital outlays to purchase capital assets are reported as expenditures in governmental funds. However, in the Statement of Activities - District-Wide, the cost of these assets is allocated over their estimated useful lives as depreciation. This is the amount by which capital outlays, \$3,211,973, exceeds depreciation, \$2,784,646, during the current fiscal year.	427,327
Some property taxes will not be collected until several months after the District's fiscal year end, and therefore will not be available to pay liabilities of the current period. Accordingly, they are recorded as unearned property taxes in the governmental funds. They are however, recorded as revenue in the Statement of Activities - District-Wide. The increase in unearned property taxes on the Balance Sheet - Governmental Funds during 2013 is an adjustment.	124,928
In the Statement of Activities - District-Wide, certain operating expenses (e.g., compensated absences) and certain non-pension retirement benefits (e.g., other postemployment benefits) are measured by the amount earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (i.e., the amount actually paid). In the current year, sick pay and non-pension retirement benefits earned exceeded sick pay and non-pension retirement benefits paid by \$55,930.	(55,930)
Borrowings under capital leases are considered revenue in the governmental funds, but these borrowings increase liabilities in the Statement of Net Assets - District-Wide	(210,858)
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the Statement of Net Assets - District-Wide.	<u>350,130</u>
Change in net position - District-Wide	<u>\$ 594,716</u>

Uinta County School District No. 1
Statement of Net Position - Proprietary Funds
June 30, 2013

	Food Services Fund	Employee Benefit Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 687	\$ 44,831	\$ 45,518
Investments	-	999,402	999,402
Accounts receivable	1,780	-	1,780
Grants receivable	22,231	-	22,231
Inventories	67,797	-	67,797
Due from other funds	91,004	3,614	94,618
	<u>183,499</u>	<u>1,047,847</u>	<u>1,231,346</u>
Total current assets			
Noncurrent assets:			
Capital assets, net	538,092	-	538,092
	<u>538,092</u>	<u>-</u>	<u>538,092</u>
Total noncurrent assets			
Total assets	<u>721,591</u>	<u>1,047,847</u>	<u>1,769,438</u>
LIABILITIES			
Current liabilities:			
Accrued payroll liabilities	4,160	-	4,160
Accrued compensated absences	37,807	-	37,807
	<u>41,967</u>	<u>-</u>	<u>41,967</u>
Total liabilities			
NET POSITION			
Invested in capital assets	538,092	-	538,092
Unrestricted	141,532	1,047,847	1,189,379
	<u>141,532</u>	<u>1,047,847</u>	<u>1,189,379</u>
Total net position	<u>\$ 679,624</u>	<u>\$ 1,047,847</u>	<u>\$ 1,727,471</u>

Uinta County School District No. 1
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
Year Ended June 30, 2013

	Food Services Fund	Employee Benefit Fund	Totals
Operating revenues:			
School meal sales	\$ 620,854	\$ -	\$ 620,854
District contributions	-	6,432,330	6,432,330
Total operating revenues	<u>620,854</u>	<u>6,432,330</u>	<u>7,053,184</u>
Operating expenses:			
Payroll costs	973,448	-	973,448
Health insurance premiums	-	6,409,224	6,409,224
Direct food costs	539,289	-	539,289
Supplies and materials	75,228	-	75,228
Other operating expenses	34,703	-	34,703
Depreciation	46,776	-	46,776
Total operating expenses	<u>1,669,444</u>	<u>6,409,224</u>	<u>8,078,668</u>
Operating income (loss)	<u>(1,048,590)</u>	<u>23,106</u>	<u>(1,025,484)</u>
Non-operating revenues:			
Federal reimbursements	702,295	-	702,295
U.S. Department of Agriculture commodity contributions	60,589	-	60,589
Interest and investment earnings	7	701	708
Total non-operating revenues	<u>762,891</u>	<u>701</u>	<u>763,592</u>
Income (loss) before other financing sources (uses)	(285,699)	23,807	(261,892)
Other financing sources (uses):			
Transfers from other funds	326,000	176,670	502,670
Loss on disposal of capital assets	(8,682)	-	(8,682)
Transfer of land to governmental activities	(460,763)	-	(460,763)
Change in net position	(429,144)	200,477	(228,667)
Total net position, beginning of year	<u>1,108,768</u>	<u>847,370</u>	<u>1,956,138</u>
Total net position, end of year	<u>\$ 679,624</u>	<u>\$ 1,047,847</u>	<u>\$ 1,727,471</u>

The accompanying notes are an integral part of the financial statements.

Uinta County School District No. 1
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2013

	Food Services Fund	Employee Benefit Fund	Totals
Cash flows from operating activities:			
Cash received from food service charges	\$ 604,040	\$ -	\$ 604,040
Cash received from District contributions	-	6,432,330	6,432,330
Cash paid for employee services	(967,868)	-	(967,868)
Cash paid for health insurance premiums	-	(6,413,226)	(6,413,226)
Cash paid for professional and contract services	-	-	-
Cash paid for direct food costs	(554,550)	-	(554,550)
Cash paid for other supplies and materials	(75,228)	-	(75,228)
Cash paid for other operating expenses	(34,703)	-	(34,703)
	<u>(1,028,309)</u>	<u>19,104</u>	<u>(1,009,205)</u>
Net cash provided (used) by operating activities			
Cash flows from non-capital financing activities:			
Transfers from other funds	326,000	176,670	502,670
Non-operating grants received	702,295	-	702,295
	<u>1,028,295</u>	<u>176,670</u>	<u>1,204,965</u>
Net cash provided by non-capital financing activities			
Cash flows from investing activities:			
Change in investments, net	-	(168,614)	(168,614)
Interest on investments	7	701	708
	<u>7</u>	<u>(167,913)</u>	<u>(167,906)</u>
Net cash provided (used) by investing activities			
Increase (decrease) in cash and cash equivalents	(7)	27,861	27,854
Cash and cash equivalents, beginning of year	694	16,970	17,664
	<u>687</u>	<u>44,831</u>	<u>45,518</u>
Cash and cash equivalents, end of year			
Reconciliation of operating income (loss) to net cash provided (used)			
by operating activities:			
Operating income (loss)	\$ (1,048,590)	\$ 23,106	\$ (1,025,484)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	46,776	-	46,776
Commodities used	60,589	-	60,589
Changes in assets and liabilities:			
Accounts receivable	(16,766)	-	(16,766)
Related party accounts receivable	(48)	-	(48)
Inventories	4,785	-	4,785
Accrued payroll liabilities	80	-	80
Accrued compensated absences	5,500	-	5,500
Due to other funds	(80,635)	(4,002)	(84,637)
	<u>(1,028,309)</u>	<u>19,104</u>	<u>(1,009,205)</u>
Net cash provided (used) by operating activities			

Non-cash, non-capital financing activities:

During the year, the District received \$60,589 in food commodities from the U.S. Department of Agriculture.

Uinta County School District No. 1
Statement of Net Position - Fiduciary Funds
June 30, 2013

	Early Retirement Fund	Student Scholarship Fund	Student Activity Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 6,145	\$ 776
Investments	216,971	190,642	337,287
Accounts receivable	-	-	177
	<u>216,971</u>	<u>196,787</u>	<u>\$ 338,240</u>
Total assets			
LIABILITIES			
Current liabilities:			
Accounts payable	-	415	\$ 9,954
Due to student groups	-	-	328,286
	<u>-</u>	<u>415</u>	<u>\$ 338,240</u>
Total liabilities			
NET POSITION			
Held for benefit of others	<u>\$ 216,971</u>	<u>\$ 196,372</u>	

The accompanying notes are an integral part of the financial statements.

Uinta County School District No. 1
Statement of Changes in Net Position - Fiduciary Funds
Year Ended June 30, 2013

	<u>Early Retirement Fund</u>	<u>Student Scholarship Fund</u>
Contributions and donations:		
Private	<u>\$ 7</u>	<u>\$ 1,415</u>
Total contributions and donations	7	1,415
Interest and investment earnings	<u>393</u>	<u>165</u>
Total additions	<u>400</u>	<u>1,580</u>
Payments and awards:		
Early retirement payments	92,470	-
Scholarship awards	<u>-</u>	<u>4,220</u>
Total payments and awards	<u>92,470</u>	<u>4,220</u>
Change in net assets	(92,070)	(2,640)
Net position, beginning of year	<u>309,041</u>	<u>199,012</u>
Net position, end of year	<u><u>\$ 216,971</u></u>	<u><u>\$ 196,372</u></u>

Uinta County School District No. 1

Combining Statement of Net Position - Component Units ⁽¹⁾
June 30, 2013

	Evanston Parks and Recreation District	Uinta County School District No. 1 BOCES	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,309,375	\$ 270,673	\$ 1,580,048
Investments	485,195	2,403,475	2,888,670
Accounts receivable, net	-	131,586	131,586
Property taxes receivable	1,710	-	1,710
Inventories	-	8,161	8,161
Total current assets	<u>1,796,280</u>	<u>2,813,895</u>	<u>4,610,175</u>
Noncurrent assets:			
Capital assets, net	<u>106,551</u>	<u>972,263</u>	<u>1,078,814</u>
Total noncurrent assets	<u>106,551</u>	<u>972,263</u>	<u>1,078,814</u>
Total assets	<u>1,902,831</u>	<u>3,786,158</u>	<u>5,688,989</u>
LIABILITIES			
Current liabilities:			
Accounts payable	70,698	52,270	122,968
Related party accounts payable	-	1,452	1,452
Accrued payroll liabilities	92,481	10,982	103,463
Unearned revenue	42,145	74,522	116,667
Accrued compensated absences, due within one year	<u>97,183</u>	<u>25,504</u>	<u>122,687</u>
Total current liabilities	<u>302,507</u>	<u>164,730</u>	<u>467,237</u>
Noncurrent liabilities:			
Accrued compensated absences, due after one year	<u>196,511</u>	<u>1,405</u>	<u>197,916</u>
Total noncurrent liabilities	<u>196,511</u>	<u>1,405</u>	<u>197,916</u>
Total liabilities	<u>499,018</u>	<u>166,135</u>	<u>665,153</u>
NET POSITION			
Invested in capital assets, net of related debt	106,551	972,263	1,078,814
Restricted for program requirements	-	5,441	5,441
Unrestricted	<u>1,297,262</u>	<u>2,642,319</u>	<u>3,939,581</u>
Total net position	<u>\$ 1,403,813</u>	<u>\$ 3,620,023</u>	<u>\$ 5,023,836</u>

⁽¹⁾ The classification of assets, liabilities and net position has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

Uinta County School District No. 1
Combined Statement of Activities - Component Units ⁽¹⁾
Year Ended June 30, 2013

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Administration, parks and recreation	\$ 1,982,094	\$ 617,132	\$ 1,027,488	\$ (337,474)
Contractual services, cemetery	158,452	-	131,474	(26,978)
Contractual services, golf course	482,444	-	400,302	(82,142)
Instruction and administration	1,564,834	275,452	882,102	(407,280)
Support services	374,571	-	-	(374,571)
Operations and maintenance	28,844	-	-	(28,844)
General administration	372,020	-	-	(372,020)
Contractual services, other	210,304	-	-	(210,304)
Building lease and operations	100,140	154,555	-	54,415
Total governmental activities	<u>\$ 5,273,703</u>	<u>\$ 1,047,139</u>	<u>\$ 2,441,366</u>	<u>(1,785,198)</u>
General revenue:				
Property taxes, general purposes				1,675,866
Interest and investment earnings				11,006
Other local sources				<u>2,310</u>
			Total general revenue	<u>1,689,182</u>
			Deficiency of revenue under expenses	(96,016)
			Loss on disposal of capital assets	<u>(3,215)</u>
			Change in net position	(99,231)
			Total net position, beginning of year	<u>5,123,067</u>
			Total net position, end of year	<u>\$ 5,023,836</u>

⁽¹⁾ The classification of revenues and expenses between various categories of program revenues and expenses and general revenues and expenses has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

Uinta County School District No. 1

Statement of Activities - Evanston Parks and Recreation District⁽¹⁾
 Year Ended June 30, 2013

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Administration, parks and recreation	\$ 1,982,094	\$ 617,132	\$ 1,027,488	\$ (337,474)
Contractual services, cemetery	158,452	-	131,474	(26,978)
Contractual services, golf course	482,444	-	400,302	(82,142)
Total governmental activities	<u>\$ 2,622,990</u>	<u>\$ 617,132</u>	<u>\$ 1,559,264</u>	<u>(446,594)</u>
General revenue:				
				478,819
				<u>9,398</u>
			Total general revenue	<u>488,217</u>
			Change in net position	41,623
			Total net position, beginning of year	<u>1,362,190</u>
			Total net position, end of year	<u><u>\$ 1,403,813</u></u>

⁽¹⁾ The classification of revenues and expenses between various categories of program revenues and expenses and general revenues and expenses has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

Uinta County School District No. 1

Statement of Activities - Uinta County School District No. 1 BOCES ⁽¹⁾
 Year Ended June 30, 2013

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction and administration	\$ 1,564,834	\$ 275,452	\$ 882,102	\$ (407,280)
Support services	374,571	-	-	(374,571)
Operations and maintenance	28,844	-	-	(28,844)
General administration	372,020	-	-	(372,020)
Contractual services, other	210,304	-	-	(210,304)
Building lease and operations	100,140	154,555	-	54,415
Total governmental activities	<u>\$ 2,650,713</u>	<u>\$ 430,007</u>	<u>\$ 882,102</u>	<u>(1,338,604)</u>
General revenue:				
				1,197,047
				1,608
				<u>2,310</u>
			Total general revenue	<u>1,200,965</u>
			Deficiency of revenues under expenses	(137,639)
			Loss on disposal of capital assets	<u>(3,215)</u>
			Change in net position	(140,854)
			Total net position, beginning of year	<u>3,760,877</u>
			Total net position, end of year	<u>\$ 3,620,023</u>

⁽¹⁾ The classification of revenues and expenses between various categories of program revenues and expenses and general revenues and expenses has been made by each component unit and is not necessarily consistent with the District's classification nor comparable across component units.

Uinta County School District No. 1
Notes to Financial Statements
June 30, 2013

1. Organization

Uinta County School District No. 1 (“the District”) is governed by an elected nine-member Board of Trustees (“the Board”), which has governance responsibilities over all activities related to public elementary and secondary school education in an area that roughly comprises the western half of Uinta County, Wyoming. The District receives funding from local, county, state and federal government sources and must comply with the requirements of these funding entities. The District is not included in any other governmental “reporting entity” as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*, since board members are elected by the public; have decision-making authority; have the power to designate management; have the responsibility to significantly influence operations; and have primary accountability for fiscal matters.

The Evanston Parks and Recreation District (“the Parks and Recreation District”) and the Uinta County School District No. 1 Board of Cooperative Educational Services (“the BOCES”) are considered to be component units of the District because they are fiscally dependent on the District, or a majority of the governing boards are appointed by the District’s Board. The Evanston Parks and Recreation District provides recreation programs and services to the residents of Uinta County, Wyoming that reside within the District. The BOCES provides educational services, including vocational-technical education, college credit courses and adult education. The component unit columns in the accompanying financial statements include the financial data of the Parks and Recreation District and the BOCES. Both the BOCES and the Parks and Recreation District issue stand-alone financial statements that are available by contacting management.

2. District-Wide and Fund Financial Statements

Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements — and Management’s Discussion and Analysis — for State and Local Governments* (GASB No. 34) defines the financial reporting requirements and the reporting model for the annual financial reports of state and local governments. The financial information required by GASB No. 34 includes:

Management’s Discussion and Analysis

The management’s discussion and analysis introduces the basic financial statements and provides an analytical overview of the District’s financial activities in a narrative format. An analysis of the District’s overall financial position and results of operations is included to assist users in assessing whether the financial position has improved or deteriorated as a result of the year’s activities.

District-Wide Financial Statements

The district-wide financial statements, including the Statement of Net Position – District-Wide and the Statement of Activities – District-Wide, report information on all of the non-fiduciary activities of the District and its component units. These statements distinguish between the *governmental* and *business-type* activities of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or part by fees charged to external parties.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

2. District-Wide and Fund Financial Statements, Continued

District-Wide Financial Statements, Continued

In general, the effect of interfund transactions has been eliminated from the district-wide financial statements. Exceptions to this general rule are transactions between the District's governmental and business-type activities. Elimination of these transactions would distort the direct costs and program revenues reported for the various functions concerned.

The Statement of Activities – District-Wide presents a comparison between direct expenses and program revenues for each function of the District's governmental activities and the different business-type activities of the District. Direct expenses are those that are specifically associated with a program or function. The District does not charge indirect expenses to programs or functions. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Depreciation is presented in its entirety in the Statement of Activities – District-Wide. No depreciation has been allocated to any of the District's specific functions.

Fund Financial Statements

The fund financial statements provide information on the District's funds, including its fiduciary funds. Separate statements for each fund category – *Governmental*, *Proprietary* and *Fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and business-type funds, each displayed separately.

Budgetary Comparison Schedules

The budgetary comparison schedules are presented as required supplementary information to demonstrate whether resources were obtained and used in accordance with the District's legally adopted budgets (see Note 4). The District may revise the original budgets over the course of the year for various reasons. Under the reporting model prescribed by GASB No. 34, budgetary information continues to be provided, and includes comparisons of the District's original adopted budgets to the final budgets and actual results.

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The district-wide, proprietary funds and fiduciary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements stipulated by the provider have been met and satisfied.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be measurable when the amount of the transaction can be determined, and available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims, judgments, compensated absences and early retirement liabilities, which are recognized to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

The District reports the following governmental funds:

General Fund: The General Fund is the primary operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The instructional and most of the support service programs of the District are accounted for in the General Fund. The revenue of the fund consists primarily of local property taxes and federal and state funds. This is a budgeted fund, and any unassigned or unencumbered fund balances are considered as resources available for use.

Local, State and Federal Grants Funds: The Local, State and Federal Grants Funds are used to account for funds received from federal and state grants that have restrictions on their use. These are budgeted funds, and any unassigned or unencumbered fund balances are considered as resources available for use.

Capital Construction Fund: The Capital Construction Fund is used to account for the financial resources accumulated and payments made for the acquisition and improvement of sites; construction and remodel of facilities; and procurement of equipment, textbooks and supplies necessary for providing educational programs to the District's students. The revenue of the fund consists primarily of capital construction funds from the Wyoming School Facilities Commission. This is a budgeted fund, and any fund balances are considered as resources available for use (see Note 16).

Major Maintenance Fund: The Major Maintenance Fund is used to account for funds received from the Wyoming School Facilities Commission that are specifically designated for major maintenance expenditures. This is a budgeted fund, and any fund balances are considered as resources available for use (see Note 16).

The District reports the following proprietary funds:

Food Services Fund: The Food Services Fund is used to account for the District's school breakfast and lunch programs, which make sales to students and other individuals. Operating revenues are comprised of user charges. Non-operating revenues are comprised of grant revenues, interest income and transfers from other funds. This is a budgeted fund, and any unrestricted net position is considered as resources available for use.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

3. Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

Employee Benefit Fund: The Employee Benefit Fund is used to account for certain health insurance coverage provided to the District's employees. Operating revenues are comprised of charges to the District for certain employee health insurance coverage. Non-operating revenues are comprised of interest income. This is a budgeted fund, and any unrestricted net position is considered as resources available for use.

The District reports the following fiduciary funds:

Early Retirement Fund: The Early Retirement Fund is accounted for as a private-purpose trust. It reports resources held and administered in a fiduciary capacity on behalf of employees who have taken early retirement. This fund does not include revenues and expenditures for general operations of the District.

Student Scholarship Fund: The Student Scholarship Fund is a private-purpose trust fund used to account for funds donated for scholarships awarded to graduating seniors who will be attending college, vocational or technical training schools. This fund does not include revenues and expenditures for general operations of the District.

Student Activity Funds: The Student Activity Funds are agency funds used to account for activities of student groups and other types of activities requiring clearing accounts. These funds have no net position; assets are equal to liabilities and do not include revenues and expenditures for general operations of the District.

4. Budgetary Information

Under Wyoming law, the District's approved budgets establish maximum legal authorization for expenditures during the fiscal year. The budgets are prepared on the modified accrual basis. Unused appropriations lapse at the end of the year, unless the Board extends existing encumbrances beyond year-end.

On or before May 15 of each year, the District's administration submits to the Board a preliminary operating budget for each of the budgeted funds for the fiscal year commencing July 1. The operating budgets include proposed expenditures detailed at the functional level and the means of financing them.

On the third Wednesday of July, the Board conducts its annual budget hearing and budgets are legally adopted through the passage of an appropriation by the Board.

Actual expenditures and operating transfers out may not legally exceed budget appropriations at the functional level. The legal level of budgetary control is the functional level at which the Board must approve any over-expenditures of appropriations or transfers of appropriated amounts. The functional levels are Instruction, Instructional Support, General Support, Non-Instructional Support Services, Facility Acquisition and Construction Services and Fund Transfers.

The School Board may amend the budget after holding a budget hearing at any time during the year. The administration may transfer between budgetary line items within a function without Board approval.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

5. Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and standards. The District has adopted and applied all applicable GASB pronouncements, including GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

Recent Accounting Pronouncements

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 62; GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*; and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB 53*, were all effective for the District beginning in the fiscal year ended June 30, 2013. Implementation of these statements did not have a material impact on the District's financial results.

GASB Statement No. 63 amends the current net assets reporting requirements by incorporating deferred inflows of resources and deferred outflows of resources into the definitions of required financial statement components and renames *Net Assets* as *Net Position*. The District's financial statements have been modified to conform to the requirements of this statement. Implementation did not have a material impact on the District's financial results.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify certain items previously reported as assets and liabilities as deferred outflows or deferred inflows of resources, or as outflows or inflows of resources. This statement also limits the use of the term deferred in financial statement presentations. This statement will be effective for the District beginning in the fiscal year ending June 30, 2014. The District is currently assessing the financial statement impact of adopting this statement, but does not believe that its impact will be material.

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*. The primary objective of GASB Statement No. 68 is to improve accounting and financial reporting by state and local governments for pensions. This statement establishes standards for measuring and recognizing liabilities, deferred outflows and deferred inflows of resources and expenses. For defined benefit pension plans, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosure and required supplementary information about pensions are also addressed. GASB Statement No. 68 will be effective for the District beginning in the fiscal year ending June 30, 2015. The District is currently evaluating the financial statement impact of adopting this statement.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

5. Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Receivables

Receivables shown on the governmental fund financial statements are those for which payment was received within 60 days after the financial statement date. All receivables, regardless of when they are collected, are recognized in the district-wide financial statements. Such receivables are shown net of any allowances for uncollectible amounts.

Inventories

Inventories, which consist primarily of instructional, transportation and food supplies, are reported at the lower of cost (first-in, first-out) or net realizable value, or if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the Food Services Fund as revenue and expense when received.

Capital Assets

Capital assets are reported in the district-wide financial statements and the proprietary funds, and are reported as expenditures in the governmental fund financial statements. Purchased or constructed capital assets are reported at historical cost, less accumulated depreciation. If historical cost is unknown, estimated historical cost is used. Donated capital assets are recorded at estimated fair market value at the date of donation, less accumulated depreciation. Costs of routine repairs and maintenance that do not improve or extend the useful lives of the related assets are not capitalized. The District uses a capitalization threshold of \$5,000. When capital assets are sold or otherwise disposed of, the cost and associated accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is recorded in the Statement of Activities – District-Wide, or the Statement of Revenues, Expenses and Changes in Fund Net Position, in the case of proprietary funds.

All reported capital assets except land, land improvements and construction in progress are depreciated. Depreciation is calculated on capital assets using the straight-line method over the estimated useful lives of those assets, as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Buildings and improvements	10 to 50 years	--
General equipment	5 to 20 years	5 to 20 years
Transportation equipment	8 years	--

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

5. Summary of Significant Accounting Policies, Continued

Accrued Liabilities and Long-Term Obligations

Liabilities shown on the fund financial statements are those that have become due and payable at the end of the fiscal year, which are expected to be paid during the upcoming fiscal year, and are reported as an expenditure and fund liability of the governmental fund that will pay it. On the district-wide financial statements, liabilities that become due and payable within one year after the financial statement date are included in current liabilities, while liabilities that become due and payable after that time are shown as noncurrent liabilities.

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Compensated absences consist of accumulated sick and vacation leave balances that are unpaid by the financial statement date.

All eligible employees of the District receive sick leave at the beginning of the year. In accordance with GASB Statement No. 16, no liability is recorded for non-vesting accumulated rights to receive sick pay.

Under the terms of agreements with the local education association, twelve-month or full-year employees earn vacation in amounts that vary based on tenure and classification. The District records a liability for accumulated unused vacation for all eligible employees.

Accumulated sick leave and vacation that has become due and payable at the end of the fiscal year, which is expected to be paid during the upcoming fiscal year, is reported as an expenditure and fund liability of the governmental fund that will pay it. Accumulated sick leave and vacation that is expected to be utilized by employees during the upcoming fiscal year is reported as a current obligation in the district-wide financial statements. Accumulated sick leave and vacation leave that is not expected to be utilized by employees during the upcoming fiscal year is reported as a noncurrent obligation in the district-wide financial statements. Accumulated sick leave and vacation of proprietary funds, if any, is recorded as an expense and liability of those funds as the benefits accrue to employees.

When an employee terminates employment with the District, unused sick leave is paid at the rate of \$40 per day and accrued vacation is paid at the employee's hourly rate then in effect.

Net Position

Net position represents the difference between assets plus deferred outflows, and liabilities plus deferred inflows. Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following four components.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

5. Summary of Significant Accounting Policies, Continued

Net Position, Continued

Invested in capital assets, net of related debt. This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position. This component of net position consists of amounts subject to constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Designated net position. This component of net position consists of amounts that have been designated by the Board of Directors to be set aside for future capacity-related and capital improvements.

Unrestricted net position. This component of net position consists of amounts that do not meet the definition of “invested in capital assets, net of related debt”, “restricted” or “designated”.

Use of Restricted Resources

When expenditures qualify to be paid out of both restricted and unrestricted resources, it is the policy of the District to use restricted resources first.

Fund Balances

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB Statement No. 54, which became effective for fiscal years beginning after June 15, 2010, requires the fund balance amounts to be properly reported within one of the following fund balance classifications (see Note 16):

Nonspendable: The portion of fund balance that is not expected to be converted to cash, such as inventories and prepaid expenses, if any;

Restricted: The portion of fund balance that can be used only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation;

Committed: The portion of fund balance that can be used only for the specific purposes determined by a formal action of the District’s Board of Trustees (the District’s highest level of decision-making authority);

Assigned: The portion of fund balance that is intended to be used by the District for specific purposes, but does not meet the criteria to be classified as restricted or committed; and

Unassigned: The residual portion of fund balance for the District’s General Fund and includes all spendable amounts not included in the other classifications.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

5. Summary of Significant Accounting Policies, Continued

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at fiscal year-end are reported as fund balance since they do not constitute expenditures or liabilities. An appropriation equal to the outstanding year-end encumbrance is made in the succeeding year. Unspent appropriations lapse at year-end.

The District's encumbrance policy is for fiscal year-end individual encumbrances exceeding \$100,000 to be considered significant encumbrances. All encumbrances outstanding at year-end are reported either as committed fund balance or assigned fund balance in the General Fund, or as restricted fund balance in other funds, if any (see Note 16). Significant encumbrances at June 30, 2013 consisted of a purchase order for a bus, totaling \$168,535.

Fund Balance Spending Policy

The District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First, nonspendable fund balances are determined. Then, restricted fund balances for specific purposes are determined (not including nonspendable amounts). Then, any remaining fund balance amounts for governmental funds other than the General Fund are classified as restricted fund balance.

It is possible for governmental funds other than the General Fund to have negative unassigned fund balances when non-spendable amounts plus restricted amounts exceed the positive fund balance.

Property Tax Calendar

The Uinta County Treasurer is responsible for levying and collecting property taxes on behalf of the District. Property taxes attach as an enforceable lien on property on July 1 of each year. Property taxes are levied on or about July 1 and are due in two installments. The first installment becomes due on September 1 and is delinquent on November 10; the second installment becomes due March 1 and is delinquent on May 10. Taxes receivable represent taxes levied but uncollected by the County Treasurer at June 30, 2013.

Property Taxes Levied for Other Governments

The District is authorized by the Wyoming State statutes to levy and collect property tax revenue on behalf of the BOCES and the Parks and Recreation District.

Grant Revenue

The District receives financial assistance from governmental agencies in the form of grants, which are accounted for in special revenue funds. Revenue is deemed earned and thus recognized when applicable program expenditures are recorded. Funds received but not earned at June 30, 2013, if any, are recorded as deferred revenue.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

5. Summary of Significant Accounting Policies, Continued

Operating and Non-Operating Revenues

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and affect the amounts reported in the financial statements.

Subsequent Events

The District has evaluated subsequent events through September 23, 2013, the date as of which these financial statements were available to be issued. No material subsequent events have occurred since June 30, 2013 that required recognition or disclosure in these financial statements.

6. Cash and Cash Equivalents

The District's cash and cash equivalents consist of checking, savings and money market accounts at local banks.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Wyoming statute 9-4-820 requires the District to collateralize bank deposits that exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC). In addition, for collateral held by a custodian other than the Federal Reserve, an approved Joint Custody Receipt form must be properly executed to perfect the District's interest in collateral pledged by depository financial institutions. The District's business manager monitors cash account balances to see that sufficient collateral is pledged to the District. At June 30, 2013, the District's deposits were insured by the FDIC up to \$250,000 at each bank.

The carrying amount of cash and cash equivalents on the District's books at June 30, 2013 was \$1,478,529 (including deposits held for fiduciary funds) and bank balances totaled \$1,631,015. The differences between the carrying amount of cash and cash equivalents on the District's books and the bank balances consisted of outstanding checks and deposits not processed by the bank as of June 30, 2013.

A summary of the total insured and collateralized bank balances at June 30, 2013 is as follows:

Insured by FDIC	\$ 262,625
Collateralized with security held by pledging institution's trust department or correspondent bank under a joint custody receipt in the name of the District and the financial institution.	<u>1,368,390</u>
Total bank balances	<u>\$ 1,631,015</u>

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

6. Cash and Cash Equivalents, Continued

The carrying amount of cash and cash equivalents on the District’s books at June 30, 2013 consists of and appears in the financial statements as summarized below:

Cash and cash equivalents, Statement of Net Position – District-Wide	\$ 1,471,608
Cash and cash equivalents, Statement of Net Position – Fiduciary funds	<u>6,921</u>
Carrying amount of bank deposits	<u>\$ 1,478,529</u>

7. Investments

As of June 30, 2013, the District had the following investments (including investments of fiduciary funds). The District has not adopted a formal investment policy.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
WYO-STAR Local Government Investment Pool	266 days average	\$ 6,841,834
Wyoming Government Investment Fund	45 days average	2,349,982
First National Bank	Various	<u>2,033</u>
Total investments		<u>\$ 9,193,849</u>

Interest Rate Risk The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk State law limits investments to obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. The District has no investment policy that would further limit its investment choices. As of June 30, 2013, the District’s investment in the WYO-STAR Local Government Investment Pool (WYO-STAR) and the Wyoming Government Investment Fund (WGIF) had a credit rating of AAA and AAAM, respectively, by Standard and Poor’s Rating Services. The investment in First National Bank is collateralized with security held by the pledging institution’s trust department or a correspondent bank under a joint custody receipt in the name of the District and the financial institution.

Concentration of Credit Risk The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District’s investments are in the WYO-STAR and the WGIF. These investments are approximately 74% and 26%, respectively, of the District’s total investments.

The WYO-STAR is overseen and managed by the State of Wyoming Treasurer’s Office. The WGIF is overseen and managed by PFM Asset Management LLC, and the Distribution Agent is George K. Baum & Company.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

8. Receivables

All amounts recognized as receivables on the governmental funds financial statements were collected within 60 days after year-end. All receivables, regardless of when they are collected, are recognized on the district-wide financial statements.

Grants and Contracts Receivable

Grants and contracts receivable consist of revenues earned by the District from various state or federal grants and contracts that had not been received by the District as of June 30, 2013. The balance reported for grants and contracts receivable as of June 30, 2013 is \$931,271.

Property Taxes Receivable

Property taxes receivable consist of property taxes received in the first 60 days after June 30, 2013 that relate to taxes levied prior to and during the 2013 fiscal year. The balance reported for property taxes receivable as of June 30, 2013 is \$269,128.

During the current and previous fiscal years, some of the District's taxes were paid under protest to the County Treasurer. This means that the property owners are disputing the assessed valuation of their property, and therefore the amount of their property tax bill. When taxes are paid under protest, the Treasurer must hold that money in a protest account until the protest is resolved with the State Board of Equalization. Because the taxes were paid under protest, and the ultimate amount the District will receive is still in question, no receivable has been recognized on the financial statements for those taxes.

9. Capital Assets

GASB Statement No. 34 requires the inclusion of capital asset information in the Statement of Net Position – District-Wide and depreciation expense in the Statement of Activities – District-Wide. Capital asset activity for the year ended June 30, 2013 is as follows:

Governmental activities:

	Balance June 30, 2012	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance June 30, 2013
Buildings and improvements	\$ 74,706,160	\$ 1,615,514	\$ 174,328	\$ (106,057)	\$ 76,389,945
General equipment	4,791,754	154,679	78,187	(131,922)	4,892,698
Transportation equipment	<u>4,075,548</u>	<u>216,258</u>	<u>312</u>	<u>(2,425)</u>	<u>4,289,693</u>
Capital assets in service	83,573,462	1,986,451	252,827	(240,404)	85,572,336
Accumulated depreciation	<u>(38,405,619)</u>	<u>(2,784,646)</u>	<u>--</u>	<u>240,404</u>	<u>(40,949,861)</u>
	45,167,843	(798,195)	252,827	--	44,622,475
Land	4,106,018	--	460,763	--	4,566,781
Construction in progress	<u>621,992</u>	<u>764,759</u>	<u>(252,827)</u>	<u>--</u>	<u>1,133,924</u>
	<u>\$ 49,895,853</u>	<u>\$ (33,436)</u>	<u>\$ 460,763</u>	<u>\$ --</u>	<u>\$ 50,323,180</u>

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

9. Capital Assets, Continued

Business-type activities:

	Balance June 30, 2012	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	Balance June 30, 2013
Buildings and improvements	\$ 39,088	\$ --	\$ --	\$ (39,088)	\$ --
Equipment	<u>1,032,538</u>	<u>--</u>	<u>--</u>	<u>(21,760)</u>	<u>1,010,778</u>
Capital assets in service	1,071,626	--	--	(60,848)	1,010,778
Accumulated depreciation	<u>(478,076)</u>	<u>(46,776)</u>	<u>--</u>	<u>52,166</u>	<u>(472,686)</u>
	593,550	(46,776)	--	(8,682)	538,092
Land	<u>460,763</u>	<u>--</u>	<u>(460,763)</u>	<u>--</u>	<u>--</u>
	<u>\$ 1,054,313</u>	<u>\$ (46,776)</u>	<u>\$ (460,763)</u>	<u>\$ (8,682)</u>	<u>\$ 538,092</u>

Capital assets used by governmental activities included leased general and transportation equipment with a cost of \$4,215,715 and accumulated amortization of \$1,329,337 at June 30, 2013 (see Note 13).

Depreciation expense for governmental funds has not been allocated to any of the District's individual functions. Rather, the District has included all depreciation related to governmental funds as a single line item on the Statement of Activities – District-Wide. Depreciation expense for business-type activities is shown on the proprietary funds financial statements.

Additionally, during 2013, land that had previously been designated for business-type activities was re-designated for use by general activities within the District. Accordingly, the District transferred the land, totaling \$460,763, from the Food Services Fund to the General Fund (see Note 11).

10. Interfund Receivables and Payables

Interfund receivables and payables arise primarily from one fund holding cash on behalf of another fund in order to limit the number of bank accounts held by the District. Interfund receivables and payables may also arise from one fund making payments on behalf of another fund to cover expenditures until grant revenues are received. When grant or other funds are received, the paying fund is reimbursed for the payments made on behalf of the receiving fund.

Interfund receivables and payables at June 30, 2013 are summarized as follows:

<u>Due To</u>	<u>Due From</u>	<u>Amount</u>
General Fund	Grants Fund ⁽¹⁾	\$ 839,119
General Fund	Major Maintenance Fund	32,382
General Fund	Capital Construction Fund	94,383
Employee Benefit Fund	General Fund	3,614
Food Service Fund	General Fund	91,004

⁽¹⁾ Grants Fund refers to the Local, State and Federal Grants Fund.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

11. Interfund Transfers

Interfund transfers for the year ended June 30, 2013 are summarized as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Reason</u>	<u>Amount</u>
General Fund	Food Services Fund	Fund operating shortfall	\$ 326,000
General Fund	Employee Benefit Fund	Reimbursement for early retirement	176,670
General Fund	Grants Fund ⁽¹⁾	Pay for FICA of certified teachers	7,754
Major Maintenance Fund	Grants Fund ⁽¹⁾	To pay for capital asset additions	47,336
Food Services Fund	General Fund	Transfer land to general fund	460,763

⁽¹⁾ Grants Fund refers to the Local, State and Federal Grants Fund.

12. Short-Term Borrowings

The District had no short-term borrowings at June 30, 2013, nor were there any short-term borrowings or repayments during 2013.

13. Long-Term Obligations

Capital Lease Obligations

The District leases certain general and transportation equipment under long-term agreements that represent capital leases. Future minimum lease payments under capital lease obligations are as follows:

<u>Year Ending June 30,</u>	
2014	\$ 435,357
2015	374,841
2016	349,795
2017	279,846
2018	235,351
2019-2020	<u>411,864</u>
Total future minimum lease payments	2,087,054
Less amount representing interest	<u>(229,960)</u>
Present value of net minimum lease payments	1,857,094
Less amount due within one year	<u>(368,386)</u>
Amount due after one year	<u>\$ 1,488,708</u>

Interest expense recorded associated with capital lease obligations totaled \$79,408 for the year ended June 30, 2013.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

13. Long-Term Obligations, Continued

A summary of changes in long-term obligations of the District's governmental activities for the year ended June 30, 2013 is as follows:

	Long-Term Obligations June 30, <u>2012</u>	Long-Term Obligations Incurred	Long-Term Obligations Paid	Long-Term Obligations June 30, <u>2013</u>	Due Within One Year
Capital lease obligations	\$ 1,996,366	\$ 210,858	\$ (350,130)	\$ 1,857,094	\$ 368,386
Accrued compensated absences	<u>887,815</u>	<u>304,195</u>	<u>(248,084)</u>	<u>943,926</u>	<u>268,515</u>
	<u>\$ 2,884,181</u>	<u>\$ 515,053</u>	<u>\$ (598,214)</u>	<u>\$ 2,801,020</u>	<u>\$ 636,901</u>

14. Other Postemployment Benefits

The District offers medical, dental and vision insurance benefits to its retirees and their dependents, which are accounted for as an Other Postemployment Benefit (OPEB). The plans consist of the Altius Peak Plus Plan (medical PPO) with prescription drug co-pays of \$20/\$40/\$60, Delta Dental and VSP vision insurance. The District does not explicitly contribute towards the cost of the premiums associated with these insurance benefits for retirees.

Governmental Accounting Standards Board (GASB) Statement No. 45 (GASB No. 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* established standards for measurement, recognition and reporting of non-pension postemployment benefits, including the medical, dental and vision insurance benefits offered to retirees of the District. Historically, the District did not recognize any expense associated with this plan because the District did not explicitly contribute towards the cost of these benefits for retirees. However, the ability for retirees to obtain coverage at rates similar to active employees constitutes a significant economic benefit to the retirees. GASB No. 45 requires that the District recognize the implicit cost of its retiree postemployment benefit plan during the period of the employee's active employment while the benefits are being earned. The Unfunded Actuarial Accrued Liability (UAAL) is required to be disclosed in order to accurately account for the total future cost of postemployment benefits and the financial impact on the District.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

14. Other Postemployment Benefits, Continued

Plan Description

Prior to July 1, 2009, employees who were eligible for full retirement from the Wyoming Retirement System, had attained age 60, or met the requirements of the "rule of 85", and had completed 20 years of contractual service with the District, with 10 of those years being consecutive and immediately prior to retirement, were eligible to retire and participate in the District's healthcare plan by paying premiums equal to those charged for the District's active employees. Employees retiring July 1, 2009 and thereafter, who meet the eligibility requirements described above, are required to pay 110% of the active premium until the final 18 months of being enrolled in the plan, at which time the required payments are reduced to 102% of the active premium. Spouses and eligible dependent children of retirees may also be covered at the retiree's expense. While the District does not directly contribute towards the cost of premiums for retirees, the ability to obtain coverage at these rates constitutes a significant economic benefit to the retirees, called an "implicit subsidy" under GASB No. 45. The inclusion of the retirees increases the District's overall health insurance rates.

Eligible employees may participate in the District's health plans, up to age 65, by self-paying 102% or 110% of the premiums, as described above, using the following scale:

<u>Years of Service</u>	<u>Coverage</u>
20	3.5 years
25	5.0 years
30+	6.5 years

Funding Policy

As required by GASB No. 45, an actuary determines the District's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

GASB No. 45 does not require pre-funding of other postemployment benefits. Therefore, the District's funding policy is to continue to pay implicit subsidies for retirees as they become due. The District has elected not to establish an irrevocable trust at this time.

The Board of Trustees reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

14. Other Postemployment Benefits, Continued

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the District's annual OPEB cost for the fiscal year ended June 30, 2013, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contributions	\$ 68,421
Interest on net OPEB obligation	4,603
Adjustment to annual required contributions	<u>(5,988)</u>
Annual OPEB cost	67,036
Contributions made	<u>(67,217)</u>
Decrease in net OPEB obligation	(181)
Net OPEB obligation, beginning of year	<u>92,056</u>
Net OPEB obligation, end of year	<u>\$ 91,875</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended June 30, 2013, 2012 and 2011 are summarized as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 67,036	\$ 67,217	100.27%	\$ 91,875
June 30, 2012	67,240	53,680	79.83%	92,056
June 30, 2011	57,355	52,312	91.21%	78,496

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, the date of the most recent actuarial valuation, was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Projected Unit Credit Actuarial Accrued Liability</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2011	\$ --	\$ 630,160	\$ 630,160	0.00%	\$23,273,412	2.71%

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

14. Other Postemployment Benefits, Continued

Funded Status and Funding Progress, Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (i.e., the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that time. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2011. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), and an annual medical cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 5.0% after 3 years. These assumptions reflect an implicit 3.0% general inflation assumption. The District's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2013 was 30 years.

Several factors have caused the Actuarial Accrued Liability (AAL) to change since the most recent prior valuation date of July 1, 2009. These factors include, but are not limited to, the passage of time; increases in healthcare premiums greater than anticipated; changes in actuarial methods and assumptions; and employee turnover being lower than anticipated. The estimated changes in the AAL from July 1, 2009 to July 1, 2011, the two most recent valuation dates, are summarized as follows:

Actuarial accrued liability as of July 1, 2009	\$ 568,045
Passage of time	(14,503)
Premium increases greater than anticipated	17,657
Change in healthcare trend rate	29,571
Census and other changes	<u>29,390</u>
Actuarial accrued liability as of July 1, 2011	<u>\$ 630,160</u>

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

15. Wyoming Retirement System Defined Contribution Plan

All full-time and regular part-time employees participate in the State of Wyoming Retirement System (“the Plan”), a multi-employer, cost-sharing public employee retirement plan. The Plan is a defined contribution plan covering substantially all employees of the State, electing local municipalities, and the Public School System of Wyoming.

The Plan statutorily requires a total of 14.12% of the participant’s salary to be contributed to the Plan, with the District required to contribute a minimum of 7.12% of the employee’s salary. The District can, however, elect to contribute more than the required amount. The District has elected to contribute both the employer and employee portions of the retirement contribution, even though it is not required to do so.

The Plan allows for normal retirement after four years of service and attainment of age 60. Retirees can select one of five options for receiving benefits. Early retirement is allowed, provided the employee has completed four years of service and attained age 50, but results in a reduction of benefits based on the length of time remaining to normal retirement age. Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated earnings through the date of their termination.

Salaries and wages paid to employees covered by the Plan were \$24,110,933, \$24,237,058 and \$23,989,358 for the years ended 2013, 2012 and 2011, respectively. The District’s contributions to the Plan totaled \$3,404,464, \$3,422,272 and \$3,353,197 for 2013, 2012 and 2011, respectively.

The Plan issues stand alone financial statements. A copy of the Plan’s financial statements may be obtained by contacting the Wyoming Retirement System at First Floor East - Herschler Building, 122 West 25th Street, Cheyenne, WY 82002.

16. Fund Equity

GASB 54 requires the fund balance amounts to be properly reported within one of five categories (see Note 5). Specific amounts reported as committed and assigned are summarized below:

Committed: The District’s Committed Fund Balance is fund balance reporting required by the District’s Board of Trustees, either because of a Board policy or because of motions that passed at Board meetings. At June 30, 2013, there were no portions of fund balance reported as committed as a result of Board policies or as a result of motions passed at Board meetings.

Assigned: The District’s Assigned Fund Balance is fund balance reporting occurring by the Board administration authority, as designated by the District’s superintendents, with consultation of the business office. At June 30, 2013, amounts reported as Assigned Fund Balance represent encumbrances outstanding, totaling \$172,161 of non-restricted encumbrances, which is reported within the General Fund.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

16. Fund Equity, Continued

Restrictions of net position reported in the district-wide financial statements are established to either (1) satisfy legal covenants that require a portion of the net position be segregated or (2) identify the portion of the net position that is not appropriate for future expenditures. Specific restrictions on net position are summarized below:

Capital Outlays: The amount is restricted for capital outlay expenditures, in accordance with Wyoming State statutes.

Major Maintenance Projects: The amount is restricted to segregate funds for capital outlay expenditures which meet the Wyoming School Facilities Commission's definition of major maintenance.

Capital Construction Projects: The amount is restricted to segregate funds for capital outlay expenditures which meet the Wyoming School Facilities Commission's definition of capital construction.

17. Related Party Transactions

The BOCES is a component unit of the District (see Note 1). The District levies a two and one-half mill property tax to assist in financing the operations of the BOCES. During 2013, the District recorded expenditures of \$110,000 as reimbursement to the BOCES for the cost of administering certain programs related to the District. The District also recognized revenue, totaling \$2,725, for food supplies provided to the BOCES. Also, the BOCES' employees participate in the District's medical insurance program. During 2013, the District recognized a reduction of expenditures totaling \$191,016 for reimbursement on the BOCES' contributions of monthly insurance premiums. At June 30, 2013, the BOCES owed \$1,452 to the District.

The BOCES was formed by the District, in cooperation with Western Wyoming Community College ("WWCC"), and therefore WWCC is a significant related party to the BOCES. During 2013, the District recognized revenue totaling \$115,800 for reimbursement of services provided to certain students of WWCC. There were no amounts due to or from WWCC at June 30, 2013.

18. Risk Management

Insurance

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements did not exceed coverage during 2013.

Litigation

The District is occasionally named as a defendant in lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying district-wide financial statements and, accordingly, no provision for loss has been recorded. The District's management and legal counsel are not aware of any significant pending or threatened litigation at June 30, 2013.

Uinta County School District No. 1
Notes to Financial Statements, Continued
June 30, 2013

19. Contingent Liabilities

Grant Programs

The District receives significant financial assistance from federal and state governmental agencies in the form of grants, which are governed by various rules and regulations of the grantor agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Therefore, to the extent that the District has not complied with the terms and conditions governing the grants, refunds of any money received may be required, and the collectability of any related receivables at June 30, 2013 may be impaired. Based on prior experience, the District administration believes such amounts, if any, would be immaterial.

School Foundation Program

The District's funding for the General Fund is determined by the School Foundation Funding Model, which was passed into law by the State of Wyoming ("State") Legislature. Funding is determined based on a variety of data submitted to the State by the District. In 2003, the State Department of Audit began conducting audits of the information submitted by Districts to the State at least once every three years. If the Department of Audit finds errors in the data submitted by the District, a retroactive funding adjustment is made. If the District was over-funded, the District is required to refund the overpayment to the State.

20. Economic Dependency

The District receives a large portion of its funding from the State of Wyoming. Any shortfall in property taxes collected by the District is made up by the State. Therefore, the District is economically dependent on the State for its continued operations.

Required Supplementary Information

Uinta County School District No. 1
Budgetary Comparison Schedule for the General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ 14,473,881	\$ 13,095,282	\$ 13,113,421	\$ (1,378,599)	\$ 18,139
Interest and investment earnings	15,000	18,189	12,194	3,189	(5,995)
Other local sources	1,326,200	1,324,127	1,324,127	(2,073)	-
Other county sources	577,558	629,587	632,962	52,029	3,375
State sources	21,970,640	23,219,514	23,219,514	1,248,874	-
Federal sources	-	-	-	-	-
Total revenues	38,363,279	38,286,699	38,302,218	(76,580)	15,519
Expenditures:					
Instruction:					
Regular instruction	16,327,250	16,203,011	16,025,371	124,239	177,640
Special instruction	4,550,965	4,588,644	4,559,779	(37,679)	28,865
Vocational instruction	735,570	762,723	758,249	(27,153)	4,474
Distance instruction	-	24,500	22,125	(24,500)	2,375
Total instruction	21,613,785	21,578,878	21,365,524	34,907	213,354
Support services:					
Pupil services	3,559,537	3,561,642	3,540,829	(2,105)	20,813
Staff services	1,587,402	1,661,760	1,652,440	(74,358)	9,320
Central administration	2,217,475	2,062,945	2,085,048	154,530	(22,103)
School administration	1,888,435	1,885,084	1,836,078	3,351	49,006
Business administration	701,531	725,037	702,572	(23,506)	22,465
General maintenance	4,323,692	4,482,526	4,454,523	(158,834)	28,003
Transportation services	2,025,142	2,406,889	2,366,023	(381,747)	40,866
Capital construction	-	460,763	460,763	(460,763)	-
Total support services	16,303,214	17,246,646	17,098,276	(943,432)	148,370
Total expenditures	37,916,999	38,825,524	38,463,800	(908,525)	361,724
Excess (deficiency) of revenues over (under) expenditures	446,280	(538,825)	(161,582)	(985,105)	377,243
Other financing sources (uses):					
Transfers from (to) other funds	(400,327)	(54,511)	(510,424)	345,816	(455,913)
Proceeds from capital leases	-	214,233	210,858	214,233	(3,375)
Transfer of land from business-type activities	-	-	460,763	-	460,763
Net change in fund balance	45,953	(379,103)	(385)	(425,056)	378,718
Total fund balance, beginning of year	4,595,826	4,595,826	4,595,826	-	-
Total fund balance, end of year	\$ 4,641,779	\$ 4,216,723	\$ 4,595,441	\$ (425,056)	\$ 378,718

Uinta County School District No. 1
Budgetary Comparison Schedule for the Local, State and Federal Grants Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	-	-	-
Other local sources	58,830	1,000	1,000	(57,830)	-
Other county sources	-	-	-	-	-
State sources	1,488,410	1,615,894	1,224,621	127,484	(391,273)
Federal sources	2,916,590	3,329,654	2,038,685	413,064	(1,290,969)
Total revenues	4,463,830	4,946,548	3,264,306	482,718	(1,682,242)
Expenditures:					
Instruction:					
Regular instruction	-	1,000	1,000	(1,000)	-
Special instruction	2,501,179	2,706,866	2,098,488	(205,687)	608,378
Vocational instruction	77,364	202,667	103,060	(125,303)	99,607
Distance instruction	44,538	47,997	47,997	(3,459)	-
Total instruction	2,623,081	2,958,530	2,250,545	(335,449)	707,985
Support services:					
Pupil services	-	15,882	15,882	(15,882)	-
Staff services	1,044,710	992,628	982,919	52,082	9,709
Central administration	33,000	101,192	61,568	(68,192)	39,624
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	90,208	10,997	8,482	79,211	2,515
Transportation services	-	-	-	-	-
Capital construction	-	-	-	-	-
Total support services	1,167,918	1,120,699	1,068,851	47,219	51,848
Total expenditures	3,790,999	4,079,229	3,319,396	(288,230)	759,833
Excess (deficiency) of revenues over (under) expenditures	672,831	867,319	(55,090)	194,488	(922,409)
Other financing sources (uses):					
Transfers from (to) other funds	(672,831)	-	55,090	672,831	55,090
Net change in fund balance	-	867,319	-	867,319	(867,319)
Total fund balance, beginning of year	-	-	-	-	-
Total fund balance, end of year	\$ -	\$ 867,319	\$ -	\$ 867,319	\$ (867,319)

Uinta County School District No. 1
Budgetary Comparison Schedule for the Capital Construction Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	68	59	68	(9)
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	778,000	1,990,841	1,324,961	1,212,841	(665,880)
Federal sources	-	-	-	-	-
Total revenues	778,000	1,990,909	1,325,020	1,212,909	(665,889)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Distance instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	824,483	331,219	(824,483)	493,264
Transportation services	-	-	-	-	-
Capital construction	778,000	1,125,609	993,742	(347,609)	131,867
Total support services	778,000	1,950,092	1,324,961	(1,172,092)	625,131
Total expenditures	778,000	1,950,092	1,324,961	(1,172,092)	625,131
Excess (deficiency) of revenues over (under) expenditures	-	40,817	59	40,817	(40,758)
Other financing sources (uses):					
Transfers from (to) other funds	-	-	-	-	-
Net change in fund balance	-	40,817	59	40,817	(40,758)
Total fund balance, beginning of year	11,453	11,453	11,453	-	-
Total fund balance, end of year	\$ 11,453	\$ 52,270	\$ 11,512	\$ 40,817	\$ (40,758)

Uinta County School District No. 1
Budgetary Comparison Schedule for the Major Maintenance Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	4,000	450	481	(3,550)	31
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	1,791,692	1,791,692	1,791,692	-	-
Federal sources	-	-	-	-	-
Total revenues	1,795,692	1,792,142	1,792,173	(3,550)	31
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Distance instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	2,007,864	1,978,721	1,785,392	29,143	193,329
Transportation services	-	-	-	-	-
Capital construction	-	-	-	-	-
Total support services	2,007,864	1,978,721	1,785,392	29,143	193,329
Total expenditures	2,007,864	1,978,721	1,785,392	29,143	193,329
Excess (deficiency) of revenues over (under) expenditures	(212,172)	(186,579)	6,781	25,593	193,360
Other financing sources (uses):					
Transfers from (to) other funds	-	55,090	(47,336)	55,090	(102,426)
Net change in fund balance	(212,172)	(131,489)	(40,555)	80,683	90,934
Total fund balance, beginning of year	186,869	186,869	186,869	-	-
Total fund balance, end of year	\$ (25,303)	\$ 55,380	\$ 146,314	\$ 80,683	\$ 90,934

See accompanying Report of Independent Auditor and Note to Budgetary Comparison Schedules.

Uinta County School District No. 1
Budgetary Comparison Schedule for the Food Services Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	1,265	10	7	(1,255)	(3)
Other local sources	677,834	630,000	620,854	(47,834)	(9,146)
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	532,000	762,884	762,884	230,884	-
Total revenues	1,211,099	1,392,894	1,383,745	181,795	(9,149)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Distance instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Capital construction	-	-	-	-	-
Community support	-	-	-	-	-
Other support services	1,509,441	1,694,546	1,669,444	(185,105)	25,102
Principal and interest	-	-	-	-	-
Total support services	1,509,441	1,694,546	1,669,444	(185,105)	25,102
Total expenditures	1,509,441	1,694,546	1,669,444	(185,105)	25,102
Excess (deficiency) of revenues over (under) expenditures	(298,342)	(301,652)	(285,699)	(3,310)	15,953
Other financing sources (uses):					
Transfers from other funds	298,342	326,053	326,000	(27,711)	53
Loss on disposal of capital assets	-	-	(8,682)	-	8,682
Transfer of land to governmental activities	-	(460,763)	(460,763)	460,763	-
Net change in fund balance	-	(436,362)	(429,144)	429,742	24,688
Total fund balance, beginning of year	1,108,768	1,108,768	1,108,768	-	-
Total fund balance, end of year	\$ 1,108,768	\$ 672,406	\$ 679,624	\$ 429,742	\$ 24,688

See accompanying Report of Independent Auditor and Note to Budgetary Comparison Schedules.

Uinta County School District No. 1
Budgetary Comparison Schedule for the Employee Benefit Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Modified Accrual Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	1,400	1,500	701	100	(799)
Other local sources	6,679,458	6,679,458	6,432,330	-	(247,128)
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total revenues	6,680,858	6,680,958	6,433,031	100	(247,927)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Distance instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	6,768,147	6,768,147	6,409,224	-	358,923
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Capital construction	-	-	-	-	-
Community support	-	-	-	-	-
Principal and interest	-	-	-	-	-
Total support services	6,768,147	6,768,147	6,409,224	-	358,923
Total expenditures	6,768,147	6,768,147	6,409,224	-	358,923
Excess (deficiency) of revenues over (under) expenditures	(87,289)	(87,189)	23,807	100	110,996
Other financing sources (uses):					
Transfers from (to) other funds	183,374	274,688	176,670	91,314	(98,018)
Net change in fund balance	96,085	187,499	200,477	91,414	12,978
Total fund balance, beginning of year	847,370	847,370	847,370	-	-
Total fund balance, end of year	\$ 943,455	\$ 1,034,869	\$ 1,047,847	\$ 91,414	\$ 12,978

Uinta County School District No. 1
Note to Budgetary Comparison Schedules
June 30, 2013

1. Basis of Presentation

The budgetary comparison schedules have been prepared on the modified accrual basis of accounting, which is the same basis of accounting used in the governmental funds financial statements. The modified accrual basis of accounting and the account groupings reflected in the governmental funds financial statements differ from the presentation and account groupings required by Wyoming Statutes for Board of Trustees' budgetary control at the functional level, as described in Note 4 to the Financial Statements. There were no instances in which actual expenditures exceeded budgeted expenditures at the functional levels required by Wyoming Statutes.

Uinta County School District No. 1
Schedule of Funding Progress - Other Postemployment Benefits
June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2007	\$ -	\$ 691,703	\$ 691,703	0.00%	\$ 21,765,950	3.18%
July 1, 2009	-	568,045	568,045	0.00%	23,426,111	2.42%
July 1, 2011	-	630,160	630,160	0.00%	23,273,412	2.71%

Compliance Reports



**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***

The Board of Trustees
Uinta County School District No. 1
Evanston, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Uinta County School District No. 1 (the District), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated September 23, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Finding 13-1, that we consider to be a significant deficiency.

Compliance and Other Matters

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

District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

The sole purpose of this report is 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.

DeCoria, Maichel + Teague, P.S.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington

September 23, 2013

Uinta County School District No. 1
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/ Pass-Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
U.S. Department of Education			
Passed Through State			
Department of Education:			
Local Education Agencies Cluster:			
Title I-A - Grants to Local Educational Agencies	84 010	122101T1A00	\$ 34,792
Title I-A - Grants to Local Educational Agencies	84 010	1321013T1A00	853,208
Title I-D - Grants to Local Education Agencies (Subpart 2)	84.010	122101T1D200	587
Title I-D - Grants to Local Education Agencies (Subpart 2)	84.010	1321013T1D00	<u>21,096</u>
			\$ 909,683
Special Education Cluster:			
Title VI-B Special Education Grants to States	84.027	122101VIB00	339,232
Title VI-B Special Education Grants to States	84.027	1321013T6100	347,092
Title VI-B Special Education Preschool Grants	84.173	122101VIBP00	2,445
Title VI-B Special Education Preschool Grants	84.173	1321013T6900	<u>6,055</u>
			694,824
Carl Perkins - Vocational Education	84.048	122101VEA00	279
Carl Perkins - Vocational Education	84.048	1321013VEA00	<u>61,782</u>
			62,061
Title III - English Language Acquisition Grants	84.365	122101T3E00	6,841
Title III - English Language Acquisition Grants	84.365	122101T3E00	<u>19,716</u>
			26,557
Title II-A Teacher Quality	84.367	1321013T2A00	<u>329,578</u>
			2,022,703
Total U.S. Department of Education			
U.S. Department of Agriculture			
Passed Through State Department of Education:			
Child Nutrition Cluster:			
Non-Cash Assistance (Commodities):			
National School Lunch Program	10.555	2101000	60,589
Cash Assistance:			
School Breakfast Program	10.553	2101000	109,685
National School Lunch Program	10.555	2101000	519,853
Summer Food Service Program for Children	10.559	2101000	<u>72,757</u>
			702,295
			<u>762,884</u>
Total U.S. Department of Agriculture			
U.S. Department of Labor			
Passed Through State Department of Workforce Services:			
Wyoming Department of Workforce Services	17.259	2101000	<u>8,482</u>
			8,482
Total U.S. Department of Labor			
National Endowment for the Humanities			
Passed Through State Arts Council:			
Promotion of the Arts - Partnership Agreements	45.025	2101000	<u>12,500</u>
			12,500
Total National Endowment for the Humanities			
			<u>\$ 2,806,569</u>

Uinta County School District No. 1
Note to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Uinta County School District No. 1 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*.



Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

The Board of Trustees
Uinta County School District No. 1
Evanston, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Uinta County School District No. 1's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2013. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, Uinta County School District No. 1, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District'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 the District's internal control over compliance.

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

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

Purpose of this Report

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.

DeCoria, Maichel + Teague, P.S.

DeCoria, Maichel & Teague, P.S.
Spokane, Washington

September 23, 2013

**Uinta County School District No. 1
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

Financial Statements

The report of independent auditor expressed an unqualified opinion on the basic financial statements of Uinta County School District No. 1.

The audit of the financial statements of Uinta County School District No. 1 disclosed a significant deficiency in internal control.

The significant deficiency in internal control was not considered to be a material weakness.

The audit disclosed no compliance findings material to the financial statements of Uinta County School District No. 1.

Federal Awards

The audit identified no significant deficiencies for internal control over major programs.

The audit identified no material weaknesses for internal control over major programs.

The report of independent auditor expressed an unqualified opinion on compliance for major programs.

The audit disclosed no compliance findings that are required to be reported in accordance with Section 510(a) of Circular A-133.

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
	Title I Local Education Agencies Cluster:
84.010	Title I-A - Grants to Local Education Agencies
84.013	Title I-D - Grants to Local Education Agencies (Subpart 2)

The dollar threshold used to distinguish type A and B programs was \$300,000.

The auditee qualified as a low-risk auditee.

**Uinta County School District No. 1
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2013**

Section II – Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of non-compliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 13-1

Condition	The size of the District’s staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.
Criteria	An effective system of internal control over financial reporting requires that closely related duties be segregated.
Effect	The concentration of closely related duties and responsibilities by a small staff makes it difficult to establish a complete system of automatic internal checks on the accuracy and reliability of the accounting records.
Cause	The District’s staff is too small to allow a complete segregation of duties.
Recommendation	Although the organization is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting, we recommend that officials be aware that the condition does exist.
Management’s Response	Management and the Board of Trustees are aware of this condition and have made a conscious decision to accept the resulting degree of risk because of cost or other considerations.

**Uinta County School District No. 1
Schedule of Findings and Questioned Costs, Continued
Year Ended June 30, 2013**

Section III – Federal Award Findings and Questioned Costs

This section identifies the audit findings (significant deficiencies, material weaknesses, and instances of non-compliance, including questioned costs) related to federal awards that are required to be reported in accordance with OMB Circular A-133.

There were no findings in the current year.

**Uinta County School District No. 1
Status of Prior Year Findings
Year Ended June 30, 2013**

Finding 12-1

Condition The size of the District's staff is not large enough to permit a complete segregation of duties for an effective system of internal control over financial reporting.

Status This condition still exists at June 30, 2013. See Finding 13-1.