

**Uinta County School District No. 4**

*Financial Report*

**June 30, 2013**

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## Independent Auditor's Report

The Board of Trustees  
Uinta County School District No. 4  
Mountain View, Wyoming

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Uinta County School District No. 4, 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Uinta County School District No. 4, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 29–34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Uinta County School District No. 4'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 also 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 4, 2013, on our consideration of Uinta County School District No. 4'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 Uinta County School District No. 4's internal control over financial reporting and compliance.

DeCoria & Company, PC

DeCoria & Company, PC  
Afton, Wyoming

November 4, 2013

**Basic Financial Statements**

**Uinta County School District No. 4**  
**Statement of Net Position - District-Wide**  
**June 30, 2013**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 5,142,986	\$ 149,926	\$ 5,292,912
Investments	1,663,661	198,352	1,862,013
Grants receivable	1,208,353	-	1,208,353
Property taxes receivable	27,713	-	27,713
Inventories	24,864	5,714	30,578
Due from other funds	2,000	-	2,000
Total current assets	<u>8,069,577</u>	<u>353,992</u>	<u>8,423,569</u>
<b>Noncurrent assets:</b>			
Capital assets, net	14,715,975	271,721	14,987,696
Total noncurrent assets	<u>14,715,975</u>	<u>271,721</u>	<u>14,987,696</u>
Total assets	<u>22,785,552</u>	<u>625,713</u>	<u>23,411,265</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	1,991,765	2,974	1,994,739
Accrued liabilities	87,937	918	88,855
Deferred revenue	33,566	-	33,566
Accrued compensated absences, due within one year	34,814	-	34,814
Due to other funds	-	2,000	2,000
Total current liabilities	<u>2,148,082</u>	<u>5,892</u>	<u>2,153,974</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences, due after one year	123,431	-	123,431
Total noncurrent liabilities	<u>123,431</u>	<u>-</u>	<u>123,431</u>
Total liabilities	<u>2,271,513</u>	<u>5,892</u>	<u>2,277,405</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,715,975	271,721	14,987,696
Restricted for capital asset replacement	900,402	-	900,402
Restricted for recreation related activities	86,247	-	86,247
Restricted for grant purposes	3,932	-	3,932
Restricted for major maintenance projects	2,421,016	-	2,421,016
Restricted for capital construction projects	909,383	-	909,383
Unrestricted	1,477,084	348,100	1,825,184
Total net position	<u>\$ 20,514,039</u>	<u>\$ 619,821</u>	<u>\$ 21,133,860</u>

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

**Uinta County School District No. 4**  
**Statement of Activities - District-Wide**  
**Year Ended June 30, 2013**

Functions/Programs	Primary Government					Total
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>						
Instruction:						
Regular instruction	\$ 4,215,831	\$ -	\$ 8,000	\$ (4,207,831)		\$ (4,207,831)
Special instruction	1,474,347	-	8,492	(1,465,855)		(1,465,855)
Vocational instruction	314,399	-	-	(314,399)		(314,399)
Total instruction	6,004,577	-	16,492	(5,988,085)		(5,988,085)
Support services:						
Pupil services	893,932	-	-	(893,932)		(893,932)
Staff services	1,407,248	-	666,169	(741,079)		(741,079)
Central administration	723,606	-	-	(723,606)		(723,606)
School administration	621,254	-	-	(621,254)		(621,254)
Business administration	198,534	-	-	(198,534)		(198,534)
General maintenance	1,124,114	-	7,084,245	5,960,131		5,960,131
Transportation services	547,170	-	-	(547,170)		(547,170)
Community support	84,925	-	-	(84,925)		(84,925)
Depreciation	521,517	-	-	(521,517)		(521,517)
Total support services	6,122,300	-	7,750,414	1,628,114		1,628,114
Total governmental activities	12,126,877	-	7,766,906	(4,359,971)		(4,359,971)
<b>Business-type activities:</b>						
Food services	344,368	144,886	115,310		\$ (84,172)	(84,172)
Housing fund	43,650	64,816	-		21,166	21,166
Total business-type activities	388,018	209,702	115,310		(63,006)	(63,006)
Total school district	\$ 12,514,895	\$ 209,702	\$ 7,882,216	(4,359,971)	(63,006)	(4,422,977)
<b>General revenues:</b>						
Property taxes				2,240,114	-	2,240,114
Interest and investment earnings				42,793	2,442	45,235
Other local sources				494,238	-	494,238
Other county sources				177,310	-	177,310
State sources				8,889,365	-	8,889,365
Federal sources				34,035	-	34,035
Total general revenues				11,877,855	2,442	11,880,297
Excess (deficiency) of expenditures over (under) revenues before transfers				7,517,884	(60,564)	7,457,320
<b>Special item:</b>						
Transfers				(75,000)	75,000	-
Changes in net position				7,442,884	14,436	7,457,320
Total net position, beginning of year				13,071,155	605,385	13,676,540
Total net position, end of year				\$ 20,514,039	\$ 619,821	\$ 21,133,860

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

**Uinta County School District No. 4**  
**Balance Sheet - Governmental Funds**  
**June 30, 2013**

	General Fund	Special Revenue Funds	Capital Construction Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,644,407	\$ 1,870,897	\$ 1,627,682	\$ 5,142,986
Investments	936,794	726,867	-	1,663,661
Grants receivable	-	108,510	1,099,843	1,208,353
Property taxes receivable	27,713	-	-	27,713
Inventories	24,864	-	-	24,864
Due from other funds	165,955	-	-	165,955
Total assets	<u>\$ 2,799,733</u>	<u>\$ 2,706,274</u>	<u>\$ 2,727,525</u>	<u>\$ 8,233,532</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 101,764	\$ 71,859	\$ 1,818,142	\$ 1,991,765
Accrued liabilities	75,991	11,946	-	87,937
Deferred revenue	-	33,566	-	33,566
Due to other funds	-	163,955	-	163,955
Total liabilities	<u>177,755</u>	<u>281,326</u>	<u>1,818,142</u>	<u>2,277,223</u>
<b>Fund balances:</b>				
Nonspendable	24,864	-	-	24,864
Restricted for capital asset replacement	900,402	-	-	900,402
Restricted for recreation related activities	86,247	-	-	86,247
Restricted for grant purposes	-	3,932	-	3,932
Restricted for major maintenance projects	-	2,421,016	-	2,421,016
Restricted for capital construction projects	-	-	909,383	909,383
Unassigned	1,610,465	-	-	1,610,465
Total fund balances	<u>2,621,978</u>	<u>2,424,948</u>	<u>909,383</u>	<u>5,956,309</u>
Total liabilities and fund balances	<u>\$ 2,799,733</u>	<u>\$ 2,706,274</u>	<u>\$ 2,727,525</u>	<u>\$ 8,233,532</u>

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

**Uinta County School District No. 4**  
**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		\$ 5,956,309
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	\$ 30,084,562	
Accumulated depreciation is	<u>(15,368,587)</u>	14,715,975
Noncurrent liabilities, accrued compensated absences, 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	(34,814)	
Accrued compensated absences, due after one year	<u>(123,431)</u>	<u>(158,245)</u>
Total net position - District-Wide		<u><u>\$ 20,514,039</u></u>

**Uinta County School District No. 4**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds**  
**Year Ended June 30, 2013**

	General Fund	Special Revenue Funds	Capital Construction Fund	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 2,240,114	\$ -	\$ -	\$ 2,240,114
Interest and investment earnings	32,577	10,216	-	42,793
Other local sources	494,238	-	-	494,238
Other county sources	177,310	-	-	177,310
State sources	8,785,469	860,571	6,578,854	16,224,894
Federal sources	34,035	431,377	-	465,412
Total revenues	<u>11,763,743</u>	<u>1,302,164</u>	<u>6,578,854</u>	<u>19,644,761</u>
<b>Expenditures:</b>				
Instruction:				
Regular instruction	4,208,565	8,000	-	4,216,565
Special instruction	1,466,112	8,492	-	1,474,604
Vocational instruction	314,454	-	-	314,454
Total instruction	<u>5,989,131</u>	<u>16,492</u>	<u>-</u>	<u>6,005,623</u>
Support services:				
Pupil services	894,088	-	-	894,088
Staff services	747,771	666,169	-	1,413,940
Central administration	723,732	-	-	723,732
School administration	621,362	-	-	621,362
Business administration	198,569	-	-	198,569
General maintenance	994,330	254,107	-	1,248,437
Transportation services	554,733	-	-	554,733
Capital outlay	-	-	7,134,590	7,134,590
Community Support	94,949	-	-	94,949
Total support services	<u>4,829,534</u>	<u>920,276</u>	<u>7,134,590</u>	<u>12,884,400</u>
Total expenditures	<u>10,818,665</u>	<u>936,768</u>	<u>7,134,590</u>	<u>18,890,023</u>
Excess (deficiency) of revenues over (under) expenditures	945,078	365,396	(555,736)	754,738
<b>Special item:</b>				
Transfers (to) from other fund, net	(375,000)	-	300,000	(75,000)
Net change in fund balances	570,078	365,396	(255,736)	679,738
Total fund balances, beginning of year	<u>2,051,900</u>	<u>2,059,552</u>	<u>1,165,119</u>	<u>5,276,571</u>
Total fund balances, end of year	<u>\$ 2,621,978</u>	<u>\$ 2,424,948</u>	<u>\$ 909,383</u>	<u>\$ 5,956,309</u>

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

**Uinta County School District No. 4  
 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	\$ 679,738
Capital outlays to purchase capital assets are reported as expenditures in the 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 outlay, \$7,281,388 exceeded depreciation, \$521,517, during the current fiscal year.	6,759,871
In the Statement of Activities - District-Wide, certain operating expenses (e.g., compensated absences) 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, accrued compensated absences paid exceeded accrued compensated earned by \$3,275.	<u>3,275</u>
Changes in net position - District-Wide	<u><u>\$ 7,442,884</u></u>

**Uinta County School District No. 4**  
**Statement of Net Position - Proprietary Funds**  
**June 30, 2013**

	Food Services Fund	Housing Fund	Totals
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 218	\$ 149,708	\$ 149,926
Investments	-	198,352	198,352
Inventories	5,714	-	5,714
Total current assets	<u>5,932</u>	<u>348,060</u>	<u>353,992</u>
<b>Noncurrent assets:</b>			
Capital assets, net	6,273	265,448	271,721
Total noncurrent assets	<u>6,273</u>	<u>265,448</u>	<u>271,721</u>
Total assets	<u>12,205</u>	<u>613,508</u>	<u>625,713</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	164	2,810	2,974
Accrued liabilities	918	-	918
Due to other fund	2,000	-	2,000
Total liabilities	<u>3,082</u>	<u>2,810</u>	<u>5,892</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,273	265,448	271,721
Unrestricted	2,850	345,250	348,100
Total net position	<u>\$ 9,123</u>	<u>\$ 610,698</u>	<u>\$ 619,821</u>

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

**Uinta County School District No. 4**  
**Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds**  
**Year Ended June 30, 2013**

	Food Services Fund	Housing Fund	Totals
<b>Operating revenues:</b>			
School meal sales	\$ 144,886	\$ -	\$ 144,886
Rental fees	-	48,262	48,262
Utilities fees	-	16,554	16,554
	<u>144,886</u>	<u>64,816</u>	<u>209,702</u>
<b>Operating expenses:</b>			
Payroll costs	140,632	-	140,632
Direct food costs	180,976	-	180,976
Supplies	19,931	1,019	20,950
Utilities	-	21,688	21,688
Repairs and maintenance	-	5,496	5,496
Property taxes	-	4,826	4,826
Depreciation expense	2,829	10,621	13,450
	<u>344,368</u>	<u>43,650</u>	<u>388,018</u>
Total operating revenues	<u>144,886</u>	<u>64,816</u>	<u>209,702</u>
Total operating expenses	<u>344,368</u>	<u>43,650</u>	<u>388,018</u>
Operating gain (loss)	<u>(199,482)</u>	<u>21,166</u>	<u>(178,316)</u>
<b>Non-operating revenues:</b>			
Federal grants	115,310	-	115,310
Interest income	62	2,380	2,442
	<u>115,372</u>	<u>2,380</u>	<u>117,752</u>
Total non-operating revenues	<u>115,372</u>	<u>2,380</u>	<u>117,752</u>
Gain (loss) before transfers	(84,110)	23,546	(60,564)
Transfer in	75,000	-	75,000
	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Change in net position	(9,110)	23,546	14,436
Total net position, beginning of year	<u>18,233</u>	<u>587,152</u>	<u>605,385</u>
Total net position, end of year	<u>\$ 9,123</u>	<u>\$ 610,698</u>	<u>\$ 619,821</u>

**Uinta County School District No. 4**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended June 30, 2013**

	Food Services Fund	Housing Fund	Totals
<b>Cash flows from operating activities:</b>			
Cash received from food service charges	\$ 144,886	\$ -	\$ 144,886
Cash received from rental and utility fees	-	64,816	64,816
Cash paid for employee services	(138,252)	-	(138,252)
Cash paid for direct food costs	(163,838)	-	(163,838)
Cash paid for supplies	(19,931)	-	(19,931)
Cash paid for utilities	-	(21,688)	(21,688)
Cash paid for repairs and maintenance	-	(5,232)	(5,232)
Cash paid for property taxes	-	(4,826)	(4,826)
Net cash provided (used) by operating activities	<u>(177,135)</u>	<u>33,070</u>	<u>(144,065)</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfer in	75,000	-	75,000
Non-operating grants	99,291	-	99,291
Net cash provided by non-capital financing activities	<u>174,291</u>	<u>-</u>	<u>174,291</u>
<b>Cash flows from investing activities:</b>			
Change in investments, net	-	(1,726)	(1,726)
Interest income	62	2,380	2,442
Net cash provided by investing activities	<u>62</u>	<u>654</u>	<u>716</u>
Increase (decrease) in cash and cash equivalents	(2,782)	33,724	30,942
Cash and cash equivalents, beginning of year	3,000	115,984	118,984
Cash and cash equivalents, end of year	<u>\$ 218</u>	<u>\$ 149,708</u>	<u>\$ 149,926</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating gain (loss)	\$ (199,482)	21,166	(178,316)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	2,829	10,621	13,450
Non-cash commodities received	16,019	-	16,019
Changes in assets and liabilities:			
Inventories	976	-	976
Accounts payable	143	1,283	1,426
Accrued liabilities	918	-	918
Due to other funds	1,462	-	1,462
Net cash provided (used) by operating activities	<u>\$ (177,135)</u>	<u>\$ 33,070</u>	<u>\$ (144,983)</u>

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

**Uinta County School District No. 4**  
**Statement of Net Position - Fiduciary Funds**  
**June 30, 2013**

	<u>Student Scholarship Fund</u>	<u>Student Activity Fund</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,363	\$ 236,528
Investments	<u>85,887</u>	<u>50,241</u>
Total assets	<u>92,250</u>	<u>\$ 286,769</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Due to student groups	<u>-</u>	<u>\$ 286,769</u>
Total liabilities	<u>-</u>	<u>\$ 286,769</u>
<b>NET POSITION</b>		
Held for benefit of others	<u>\$ 92,250</u>	

**Uinta County School District No. 4**  
**Statement of Changes in Net Position - Fiduciary Funds**  
**June 30, 2013**

	<u>Student Scholarship Fund</u>
<b>Contributions and donations:</b>	
Outside donations	\$ 8,000
	<u>8,000</u>
	Total contributions and donations
	8,000
Interest and investment earnings	<u>57</u>
	Total interest and investment earnings
	<u>8,057</u>
<b>Payments and awards:</b>	
Scholarship awards	<u>10,650</u>
	Total payments and awards
	<u>10,650</u>
	Change in net position
	(2,593)
Net position, beginning of year	<u>94,843</u>
	Net position, end of year
	<u>\$ 92,250</u>

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies**

**A. Organization**

Uinta County School District No. 4 (“the District”) is governed by an elected five-member Board of Trustees (“the Board”), which has governance responsibilities over activities related to public elementary and secondary school education in the eastern portion 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.

As required by accounting principles generally accepted in the United States of America, the basic financial statements present the District and its blended component unit.

The Uinta County School District No. 4 Recreation District (“the Recreation District”) is included in the basic financial statements as a blended component unit of the District. The Recreation District, which is governed by a five-member board comprised of the District’s Board, is included as a blended component unit because of its financial and operational relationship with the District. Although the Recreation District is legally separate from the District, it is reported as part of the District because its sole purpose is to provide funding which enables the District to make its recreation facilities available to the residents of the District. The District finances the component unit by a special one mill recreation levy.

The District is a participant with Western Wyoming Community College (“the College”) and Uinta County School District No. 6 (District No. 6) in the operation of the Uinta County School District No. 4 and No. 6 Board of Cooperative Educational Services (BOCES) which was created in accordance with State of Wyoming statutes. The BOCES is governed by a five-member board composed of two appointees from the District, two from District No. 6 and one from the College. To fund the BOCES, each school district has levied a 1/2 mill property tax levy in accordance with state statutes. On dissolution of the BOCES, the net assets will be allocated to each school district based upon the respective dollar amount of the property taxes levied and contributed to the BOCES. Because the District does not control the operations of the BOCES, the BOCES is not included as a component unit of the District.

**B. District-Wide and Fund Financial Statements**

***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. These financial statements do not include a Management’s Discussion and Analysis.

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies, Continued**

**B. District-Wide and Fund Financial Statements, continued**

*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 unit. These statements distinguish between the *governmental* and *business-type activities* of the District. Governmental transactions are generally financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or part by fees charged to external parties.

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 on 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. The District may revise the original budgets over the course of the year for various reasons. Budgetary information includes comparisons of the District's original adopted budgets to the final budgets and actual results.

Uinta County School District No. 4  
Notes to Financial Statements  
June 30, 2013

1. Summary of Significant Accounting Policies, Continued

C. 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. Non-exchange 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.

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 30 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.

Special Revenue Fund: The Special Revenue Fund is used to account for funds received from federal and state grants and other local sources that have restrictions on their use. This is a budgeted fund.

Capital Construction Fund: The Capital Construction Fund is used to account for funds received from the Wyoming School Facilities Commission that are specifically designated for construction of capital assets. This is a budgeted fund.

The District reports the following proprietary funds:

Food Services Fund: The Food Services Fund is used to account for the District's school lunch program, 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.

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies, Continued**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The District reports the following proprietary funds, continued:

*Housing Fund:* The Housing Fund accounts for activities related to the housing units that the District has available to rent to employees. Revenue of the fund consists primarily of rental fees and utility fees charged to the tenants. This is a budgeted fund.

The District reports the following fiduciary funds:

*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 assets; assets are equal to liabilities and do not include revenues and expenditures for general operations of the District.

**D. 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.

In 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. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies, Continued**

**E. Generally Accepted Accounting Principles**

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.

**F. Cash and Cash Equivalents**

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

**G. Receivables**

Receivables shown on the governmental fund financial statements are those for which payment was received within 30 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.

**H. Inventories**

Inventories, which consist primarily of instructional 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. Donated food commodities are reported in the Food Services Fund as revenue and expense when received.

**I. Capital Assets**

Capital assets are reported in the district-wide financial statements and the proprietary funds. 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. 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 is recorded in the Statement of Activities – District-Wide, or the Statement of Revenues, Expenses and Changes in Fund Net Assets, in the case of proprietary funds.

All reported capital assets except land 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>
Land improvements	10 to 30 years	--
Buildings and building improvements	20 to 50 years	20 to 30 years
General equipment	5 to 10 years	5 to 10 years
Transportation equipment	7 to 10 years	

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies, Continued**

**J. Accrued Liabilities and Long-Term Obligations**

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

In general, governmental funds payables and accrued liabilities that are paid in a timely manner from current financial resources are reported as obligations of the funds.

**K. Compensated Absences**

Compensated absences consist of accumulated personal leave balances that are unpaid by the financial statement date.

All full-time certified and non-certified staff with 10-month contracts and administrative personnel earn one day of personal leave per month, up to a maximum of 10 days during a fiscal year. All specific 12 month classified personnel earn one day of personal leave per month, up to a maximum of 11 days during a fiscal year. Leave can be accumulated up to a maximum of 90 days for full-time employees. Full-time employees who accumulate over 90 days are paid for the excess unused days at the rate of \$50 per day.

Employees become vested at the completion of eight consecutive years of service to the District. No liability is recorded for non-vesting accumulated rights to receive personal leave pay. At termination or retirement, all vested employees or their beneficiary will be paid for any accumulated leave up to 90 days at the rate of \$55 per day.

Accumulated leave that is expected to be utilized by employees during the upcoming fiscal year is reported as an expense and current liability of the governmental activities in the district-wide statements. Accumulated leave that is not expected to be utilized by employees during the upcoming fiscal year is reported as an expense and a non-current liability of the governmental activities in the district-wide statements. Accumulated leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

**L. Net Position**

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

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

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies, Continued**

M. Fund Balances

Fund Balance Reporting

Fund balance amounts are reported within one of the following fund balance categories:

Nonspendable: The nonspendable fund balance category is associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned);

Restricted: The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The District's Board of Trustees has created an asset replacement fund, which has restricted fund balance for the replacement of capital-type assets;

Committed: The committed fund balance category includes amounts that can be used only for the specific purposes determined by a formal action of the District's Board of Directors (the District's highest level of decision-making authority);

Assigned: The assigned fund balance category is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed;

Unassigned: The unassigned fund balance category is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Order of Fund Balance Spending

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First nonspendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance.

N. Property Tax Calendar

The Uinta County Treasurer is responsible for levying and collecting property taxes on behalf of the District. 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. Property taxes attach as an enforceable lien on property on May 11 of each year. Taxes receivable represents taxes levied but uncollected by the County Treasurer at June 30, 2013.

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**1. Summary of Significant Accounting Policies, Continued**

**O. Property Taxes Levied for Other Governments**

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

**P. 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 are recorded as deferred revenue.

**Q. 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.

**R. 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.

**2. 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.

The carrying amount of bank deposits at June 30, 2013 was \$5,535,803 and bank balances totaled \$5,852,498. The differences between the carrying amount of bank deposits and the bank balances consist of outstanding checks and deposits not processed by the bank as of June 30, 2013.

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**2. Cash and Cash Equivalents, Continued**

As of June 30, 2013 the District's bank balances of \$5,852,498 (including cash deposits for fiduciary funds) were insured or collateralized as follows:

Insured by FDIC	\$ 260,142
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>5,592,356</u>
Total	<u>\$ 5,852,498</u>

**3. Investments**

Wyoming statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities and repurchase agreements. District policy restricts investments to certificates of deposit with local banks, the Wyoming Government Investment Fund, and the Wyoming State Treasurer's Investment Pool, unless specific Board action authorizes an alternative investment. The District has no policies in place related to exposure to credit risk, custodial credit risk, concentration of credit risk, interest rate credit risk, or foreign currency credit risk other than the above-described investment policy.

As of June 30, 2013, the District had the following investments (including investments of fiduciary funds).

<u>Investment</u>	<u>Maturities</u>	<u>Interest Rate</u>	<u>Fair Value</u>
Wyoming Government Investment Fund (WGIF)	44.8 days average	n/a	\$ 1,914,762
Certificate of Deposit at 1 <sup>st</sup> Bank (included at Note 2)	October 17, 2013	.20%	<u>83,379</u>
Total investments			<u>\$ 1,998,141</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. WGIF is not rated as to credit risk.

**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 WGIF. This investment represents 96% of the District's total investments.

WGIF is overseen by a board of trustees elected by the Fund's member organizations.

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**4. Receivables**

All amounts recognized as receivables on the governmental funds financial statements were collected within 30 days after year-end. All receivables, regardless of when they are collected, are recognized on the district-wide financial statements.

Grants Receivable

Grants receivable balances consist of revenues earned by the District from various state or federal grants that had not been received by the District as of June 30, 2013. The balance reported for grants receivable as of June 30, 2013 is \$1,208,353.

Property Taxes Receivable

Property taxes receivable consist of property taxes received in the first 30 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 \$27,713.

Some of the District's taxes were paid under protest to the County Treasurer during the 2013 year. 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.

**5. Capital Assets**

Capital asset activity and balances for the year ended June 30, 2013 is as follows:

Governmental Activities:

	June 30, 2012	Additions	Disposals	June 30, 2013
Buildings	\$ 15,059,047	\$ -	\$ -	\$ 15,059,047
Building improvements	1,568,936	22,000	-	1,590,936
Land improvements	501,974	-	-	501,974
Vehicles	2,298,989	-	-	2,298,989
Equipment	712,248	23,936	-	736,184
Total depreciable capital assets	20,141,194	45,936	-	20,187,130
Accumulated depreciation	(14,847,070)	(521,517)	-	(15,368,587)
Net depreciable capital assets	5,294,124	(475,581)	-	4,818,543
Land	1,468,078	-	-	1,468,078
Construction in progress	1,193,902	7,235,452	-	8,429,354
Net capital assets	<u>\$ 7,956,104</u>	<u>\$ 6,759,871</u>	<u>\$ -</u>	<u>\$ 14,715,975</u>

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**5. Capital Assets, Continued**

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 the combined governmental funds was \$521,517 for the year ended June 30, 2013.

Business-type Activities:

*Food Services Fund:*

	June 30, 2012	Additions	Disposals	June 30, 2013
Equipment	\$ 105,921	\$ -	\$ -	\$ 105,921
Accumulated depreciation	(96,819)	(2,829)	-	(99,648)
Net capital assets	<u>\$ 9,102</u>	<u>\$ (2,829)</u>	<u>\$ -</u>	<u>\$ 6,273</u>

Depreciation expense recognized by the District's Lunch Fund was \$2,829.

*Housing Fund:*

	June 30, 2012	Additions	Disposals	June 30, 2013
Buildings	\$ 478,914	\$ -	\$ -	\$ 478,914
Building improvements	16,513	-	-	16,513
Accumulated depreciation	(219,358)	(10,621)	-	(229,979)
Net capital assets	<u>\$ 276,069</u>	<u>\$ (10,621)</u>	<u>\$ -</u>	<u>\$ 265,448</u>

Depreciation expense recognized by the District's Housing Fund was \$10,621.

**6. 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	Special Revenue Fund	\$ 163,955
General Fund	Food Services Fund	2,000

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**7. 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	Cover program shortfall	\$ 75,000
General Fund	Capital Construction Fund	To be used in capital projects	300,000

**8. Short-Term Borrowings**

The District had no short-term borrowings at June 30, 2013, nor were there any short-term borrowings or repayments for the year then ended.

**9. Long-Term Obligations**

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

	<u>June 30,</u> <u>2012</u>	<u>Obligations</u> <u>Incurred</u>	<u>Obligations</u> <u>Paid</u>	<u>June 30,</u> <u>2013</u>	<u>Due</u> <u>Within</u> <u>One</u> <u>Year</u>
Compensated absences	<u>\$ 161,520</u>	<u>\$ 83,268</u>	<u>\$ (86,543)</u>	<u>\$ 158,245</u>	<u>\$ 34,814</u>
	<u>\$ 161,520</u>	<u>\$ 83,268</u>	<u>\$ (86,543)</u>	<u>\$ 158,245</u>	<u>\$ 34,814</u>

**10. Fund Equity**

Restrictions of net assets are established to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific restrictions on net assets are summarized below:

General Fund: The fund balance is restricted to segregate funds for future capital asset replacement and for use specifically in the recreation district.

Special Revenue Fund: The fund balance is restricted to segregate funds for grant expenditures which meet the requirements established by the various state and federal granting agencies. The Grant Funds are reported as part of the Special Revenue Funds.

Capital Construction: The fund balance is restricted to segregate funds for the purpose of capital construction projects.

**11. 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 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. During the period covered by these financial statements, 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.

The District's contributions for the years ended June 30, 2013, 2012 and 2011 totaled \$970,847, \$958,824, and \$928,371, 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.

**12. 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.

**Uinta County School District No. 4**  
**Notes to Financial Statements**  
**June 30, 2013**

**13. 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 are 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 ("the State") Legislature. Funding is determined based on a variety of data submitted to the State by the District. 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 the District, a retroactive funding adjustment will be made. If the District was over-funded, the District will be required to refund the overpayment to the State.

**14. Economic Dependency**

The District receives a large portion of its funding from the State. 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. 4**  
**Budgetary Comparison Schedule (Budgetary Basis) for the General Fund**  
**Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variances Positive/(Negative)</b>	
	<b>Original</b>	<b>Final</b>		<b>Original to Final</b>	<b>Final to Actual</b>
<b>Revenues:</b>					
Property taxes	\$ 2,218,336	\$ 2,218,336	\$ 2,242,119	\$ -	\$ 23,783
Interest and investment earnings	25,000	25,000	28,774	-	3,774
Other local sources	363,200	333,200	491,230	(30,000)	158,030
Other county sources	193,700	193,700	171,598	-	(22,102)
State sources	8,672,076	8,552,055	8,785,293	(120,021)	233,238
Federal sources	150,021	120,021	34,035	(30,000)	(85,986)
<b>Total revenues</b>	<b>11,622,333</b>	<b>11,442,312</b>	<b>11,753,049</b>	<b>(180,021)</b>	<b>310,737</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	4,350,995	4,324,957	4,208,585	26,038	116,372
Special instruction	1,579,054	1,517,271	1,466,112	61,783	51,159
Vocational instruction	348,837	337,297	314,454	11,540	22,843
<b>Total instruction</b>	<b>6,278,886</b>	<b>6,179,525</b>	<b>5,989,151</b>	<b>99,361</b>	<b>190,374</b>
<b>Support services:</b>					
Pupil services	1,020,632	960,876	900,553	59,756	60,323
Staff services	549,637	749,700	737,215	(200,063)	12,485
Central administration	756,591	743,729	729,525	12,862	14,204
School administration	616,151	633,955	621,362	(17,804)	12,593
Business administration	224,215	211,565	198,569	12,650	12,996
General maintenance	1,201,031	1,036,237	994,330	164,794	41,907
Transportation services	737,731	593,268	554,733	144,463	38,535
Community support	153,224	144,243	95,516	8,981	48,727
<b>Total support services</b>	<b>5,259,212</b>	<b>5,073,573</b>	<b>4,831,803</b>	<b>185,639</b>	<b>241,770</b>
<b>Total expenditures</b>	<b>11,538,098</b>	<b>11,253,098</b>	<b>10,820,954</b>	<b>285,000</b>	<b>432,144</b>
<b>Excess (deficiency) of revenues over (under) expenditures before transfers</b>	<b>84,235</b>	<b>189,214</b>	<b>932,095</b>	<b>(465,021)</b>	<b>742,881</b>
<b>Special item:</b>					
Sale of fixed assets	1,500	1,500	-	-	(1,500)
Transfers (to) from other fund	(90,000)	(375,000)	(375,000)	285,000	-
<b>Net change in fund balance</b>	<b>\$ (4,265)</b>	<b>\$ (184,286)</b>	<b>557,095</b>	<b>\$ (180,021)</b>	<b>\$ 741,381</b>
<b>Net adjustments to the modified accrual basis of accounting</b>			<b>12,983</b>		
<b>Change in fund balance</b>			<b>\$ 570,078</b>		

**Uinta County School District No. 4**  
**Budgetary Comparison Schedule (Budgetary Basis) for the Special Revenue Funds**  
**Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variances Positive/(Negative)</b>	
	<b>Original</b>	<b>Final</b>		<b>Original to Final</b>	<b>Final to Actual</b>
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	10,218	-	10,218
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	761,428	761,428	876,744	-	115,316
Federal sources	502,000	671,797	438,023	169,797	(233,774)
<b>Total revenues</b>	<b>1,263,428</b>	<b>1,433,225</b>	<b>1,324,985</b>	<b>169,797</b>	<b>(108,240)</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	10,000	20,000	8,198	(10,000)	11,802
Special instruction	10,000	20,000	3,608	(10,000)	16,392
Vocational instruction	-	-	-	-	-
<b>Total instruction</b>	<b>20,000</b>	<b>40,000</b>	<b>11,806</b>	<b>(20,000)</b>	<b>28,194</b>
<b>Support services:</b>					
Pupil services	-	-	-	-	-
Staff services	666,000	815,797	786,326	(149,797)	29,471
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	577,428	577,428	203,953	-	373,475
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
<b>Total support services</b>	<b>1,243,428</b>	<b>1,393,225</b>	<b>990,279</b>	<b>(149,797)</b>	<b>402,946</b>
<b>Total expenditures</b>	<b>1,263,428</b>	<b>1,433,225</b>	<b>1,002,085</b>	<b>(169,797)</b>	<b>431,140</b>
Excess (deficiency) of revenues over (under) expenditures before transfers	-	-	322,900	339,594	322,900
<b>Special item:</b>					
Transfers (to) from other fund	-	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>322,900</b>	<b>\$ 339,594</b>	<b>\$ 322,900</b>
Net adjustments to the modified accrual basis of accounting			42,496		
<b>Change in fund balance</b>			<b>\$ 365,396</b>		

**Uinta County School District No. 4**  
**Budgetary Comparison Schedule (Budgetary Basis) for the Capital Construction Fund**  
**Year Ended June 30, 2013**

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	65	-	65
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	26,500,000	26,500,000	5,831,405	-	(20,668,595)
Federal sources	-	-	-	-	-
<b>Total revenues</b>	<b>26,500,000</b>	<b>26,500,000</b>	<b>5,831,470</b>	<b>-</b>	<b>(20,668,530)</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support services:</b>					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Capital outlay	26,500,000	26,500,000	5,368,842	-	21,131,158
Community support	-	-	-	-	-
<b>Total support services</b>	<b>26,500,000</b>	<b>26,500,000</b>	<b>5,368,842</b>	<b>-</b>	<b>21,131,158</b>
<b>Total expenditures</b>	<b>26,500,000</b>	<b>26,500,000</b>	<b>5,368,842</b>	<b>-</b>	<b>21,131,158</b>
<b>Excess (deficiency) of revenues over (under) expenditures before transfers</b>	<b>-</b>	<b>-</b>	<b>462,628</b>	<b>-</b>	<b>462,628</b>
<b>Special item:</b>					
Transfers (to) from other fund	-	300,000	300,000	(300,000)	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>762,628</b>	<b>\$ (300,000)</b>	<b>\$ 462,628</b>
<b>Net adjustments to the modified accrual basis of accounting</b>			<b>(1,018,364)</b>		
<b>Change in fund balance</b>			<b>\$ (255,736)</b>		

**Uinta County School District No. 4**  
**Budgetary Comparison Schedule (Budgetary Basis) for the Food Services Fund**  
**Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variances Positive/(Negative)</b>	
	<b>Original</b>	<b>Final</b>		<b>Original to Final</b>	<b>Final to Actual</b>
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	50	50	62	-	12
Other local sources	137,000	137,000	144,886	-	7,886
Other county sources	-	-	-	-	-
State sources	18,365	-	-	(18,365)	-
Federal sources	81,000	99,365	99,291	18,365	(74)
<b>Total revenues</b>	<b>236,415</b>	<b>236,415</b>	<b>244,239</b>	<b>-</b>	<b>7,824</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support services:</b>					
Pupil services	326,415	326,415	323,484	-	2,931
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
Principal and interest	-	-	-	-	-
<b>Total support services</b>	<b>326,415</b>	<b>326,415</b>	<b>323,484</b>	<b>-</b>	<b>2,931</b>
<b>Total expenditures</b>	<b>326,415</b>	<b>326,415</b>	<b>323,484</b>	<b>-</b>	<b>2,931</b>
Excess (deficiency) of revenues over (under) expenditures before transfers	(90,000)	(90,000)	(79,245)	-	10,755
<b>Special item:</b>					
Transfers (to) from other fund	90,000	75,000	75,000	15,000	-
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (15,000)</b>	<b>(4,245)</b>	<b>\$ 15,000</b>	<b>\$ 10,755</b>
Net adjustments to the modified accrual basis of accounting			(4,865)		
<b>Change in fund balance</b>			<b>\$ (9,110)</b>		

**Uinta County School District No. 4**  
**Budgetary Comparison Schedule (Budgetary Basis) for the Housing Fund**  
**Year Ended June 30, 2013**

	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variances Positive/(Negative)</b>	
	<b>Original</b>	<b>Final</b>		<b>Original to Final</b>	<b>Final to Actual</b>
<b>Revenues:</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and investment earnings	-	-	713	-	713
Other local sources	58,000	58,000	64,816	-	6,816
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
<b>Total revenues</b>	<b>58,000</b>	<b>58,000</b>	<b>65,529</b>	<b>-</b>	<b>7,529</b>
<b>Expenditures:</b>					
<b>Instruction:</b>					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
<b>Total instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Support services:</b>					
Pupil services	-	-	-	-	-
Staff services	60,000	60,000	31,746	-	28,254
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
Principal and interest	-	-	-	-	-
<b>Total support services</b>	<b>60,000</b>	<b>60,000</b>	<b>31,746</b>	<b>-</b>	<b>28,254</b>
<b>Total expenditures</b>	<b>60,000</b>	<b>60,000</b>	<b>31,746</b>	<b>-</b>	<b>28,254</b>
Excess (deficiency) of revenues over (under) expenditures before transfers	(2,000)	(2,000)	33,783	-	35,783
<b>Special item:</b>					
Transfers (to) from other fund	-	-	-	-	-
<b>Net change in fund balance</b>	<b>\$ (2,000)</b>	<b>\$ (2,000)</b>	<b>33,783</b>	<b>\$ -</b>	<b>\$ 35,783</b>
Net adjustments to the modified accrual basis of accounting			(10,237)		
<b>Change in fund balance</b>			<b>\$ 23,546</b>		

**Uinta County School District No. 4**  
**Notes to Budgetary Comparison Schedules**  
**June 30, 2013**

**1. Basis of Presentation**

The budgetary comparison schedules have been prepared on the cash basis of accounting, which is the same basis of accounting used by the District in its budgeting process.

**2. Expenditures in Excess of Budgeted Amounts**

The legal level of budgetary control for school districts in Wyoming is at the departmental level. According to W.S. 16-4-102(a)(vii) "department" means "a functional unit within a fund which carries on a specific activity, such as ... a major program category such as "instruction" in a school district fund." The *Wyoming School Budgeting, Accounting and Reporting Manual* gives the following breakdown of functional units within the District's accounts:

- Instruction – includes regular, special and vocational instruction categories on the District's financial statements.
- Instructional Support – includes pupil service, staff services categories on the District's financial statements.
- General Support – includes central administration, school administration, business administration, general maintenance and transportation services on the District's financial statements.
- Community Support
- Other Outlays

These groupings are broader than the groupings used by the District for financial reporting purposes. Based on the groupings used by the District for financial reporting, it appears that a functional category may be over budget; when in fact, several reporting categories are included in one functional category for legal budgetary control.

Proprietary fund budgets are required for adequate management control and for public information. However, these funds accounts shall not be deemed to have spent amounts in excess of those budgeted when the funds available from all sources are sufficient to cover the additional operating expenditures which have been approved by the governing bodies.

The District did not overspend its adopted budget in any of its funds.

**Compliance Reports**



**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Trustees  
Uinta County School District No. 4  
Mountain View, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Uinta County School District No. 4, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Uinta County School District No. 4's basic financial statements and have issued our report thereon dated November 4, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Uinta County School District No. 4'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 Uinta County School District No. 4's internal control. Accordingly, we do not express an opinion on the effectiveness of Uinta County School District No. 4's internal control.

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2013-01 and 2013-02 that we consider to be significant deficiencies.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Uinta County School District No. 4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Uinta County School District No. 4's Response to Findings**

Uinta County School District No. 4's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Uinta County School District No. 4's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **Purpose of this Report**

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

*DeCoria & Company, PC*

DeCoria & Company, PC  
Afton, Wyoming

November 4, 2013



**Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by OMB circular A-133**

Board of Trustees  
Uinta County School District No. 4  
Mountain View, Wyoming

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

We have audited Uinta County School District No. 4's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Uinta County School District No. 4's major federal programs for the year ended June 30, 2013. Uinta County School District No. 4'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 Uinta County School District No. 4'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 Uinta County School District No. 4'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 Uinta County School District No. 4's compliance.

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

In our opinion, Uinta County School District No. 4, 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.

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

## Report on Internal Control Over Compliance

Management of Uinta County School District No. 4, 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 Uinta County School District No. 4'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 Uinta County School District No. 4's internal control over compliance.

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

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

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 & Company, PC

DeCoria & Company, PC  
Afton, Wyoming

November 4, 2013

**Uinta County School District No. 4**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2013**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>U.S. Department of Education:</b>			
Direct Program			
School Assistance in Federally Affected Areas (PL 103-382)	84.041	N/A	\$ 34,035
Passed Through Wyoming Department of Education:			
Title I School Improvement:	84.010	122104T1SIA0	9,768
Title I Grants to Local Educational Agencies	84.010	122104T1A00	8,800
Title I Grants to Local Educational Agencies	84.010	1321042T1A00	134,958
Total for Title I Cluster			<u>153,526</u>
Special Education Cluster:			
Special Education Grants to States	84.027	122104VIB00	42,321
Special Education Grants to States	84.027	132104VIB00	136,504
Special Education Preschool Grants	84.173	122104VIBP00	373
Special Education Preschool Grants	84.173	1321042T6900	1,906
Total Special Education Cluster			<u>181,104</u>
Career and Technical Education - Basic Grants to States	84.048	122104VEA00	2,846
Career and Technical Education - Basic Grants to States	84.048	132104VEA00	13,606
Total for CFDA 84.048			<u>16,452</u>
Improving Teacher Quality State Grants	84.367	112104T2A00	4,452
Improving Teacher Quality State Grants	84.367	1221042T2A00	75,844
Total for CFDA 84.367			<u>80,296</u>
Total U.S. Department of Education			<u>465,413</u>
<b>U.S. Department of Agriculture:</b>			
Passed Through State Department of Education:			
USDA School Lunch Program - Cash Assistance	10.555	N/A	99,291
USDA School Lunch Program - Non-Cash Assistance	10.555	N/A	16,019
Total for CFDA 10.555			<u>115,310</u>
Total U.S. Department of Agriculture			<u>115,310</u>
Total Federal Financial Assistance			<u>\$ 580,723</u>

**Uinta County School District No. 4**  
**Notes 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. 4 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*.

2. Nonmonetary Transactions

Nonmonetary assistance is reported for food commodities received under the National School Lunch Program at the fair market value of the commodities received, as established by the Wyoming Department of Education. The District held an undetermined amount of those commodities as part of its food inventory at June 30, 2013.

**Uinta County School District No. 4  
 Schedule of Findings and Questioned Costs  
 Year Ended June 30, 2013**

**Section I – Summary of Auditor’s Results:**

***Financial Statements***

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified?      yes   X   no

Reportable condition(s) identified not considered to be a material weakness(es)?   X   yes      none reported

Noncompliance material to financial statements noted?      yes   X   no

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified?      yes   X   no

Reportable condition(s) identified not considered to be a material weakness(es)?      yes   X   none reported

Type of auditors’ report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?      yes   X   no

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.367A	Title II-A – Teacher Quality
10.555	Federal School Lunch Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low risk auditee?   X   yes      no

***Other Matters***

Auditee’s Summary Schedule of Prior Audit Findings required to be reported in accordance with Circular A-133 (section .315[b])?      yes   X   no

**Uinta County School District No. 4  
Schedule of Findings and Responses  
Year Ended June 30, 2013**

**Section II – Financial Statement Findings:**

This section identifies the audit findings (significant deficiencies, material weaknesses, and instances of noncompliance material to the financial statements) related to the basic financial statements.

**Finding 2013-1**

**Condition/Context:**

The size of the District's staff is not large enough to permit an adequate segregation of duties for an effective system of internal control.

**Criteria:**

An effective system of internal controls requires that closely related duties be segregated.

**Effect:**

The concentration of duties and responsibilities by a small staff makes it difficult to establish an adequate system of automatic internal checks on the accuracy and reliability of the accounting records.

**Cause:**

The District's staff is too small to allow an adequate segregation of duties.

**Recommendation:**

Although the District is not large enough to permit a complete segregation of duties for an effective system of internal accounting control, we recommend that officials be aware that the condition does exist and take steps to identify opportunities to further segregate duties where possible.

**Views of Responsible Officials and Planned Corrective Actions:**

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. 4  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013**

**Section II – Financial Statement Findings, continued:**

**Finding 2013-2**

**Condition/Context:**

Due in part to the District's size and limited staff resources, the District does not have someone within the internal control structure with sufficient knowledge of generally accepted accounting principles (GAAP) to convert their accounting records from the cash basis of accounting, to GAAP basis financial statements. Although the District has retained the services of a Certified Public Accountant (CPA) to assist them in transitioning from the cash basis of accounting to the accrual basis of accounting, it is very difficult to make every required adjustment in the time allotted to make this conversion. Therefore, even though the District is doing a comparatively great job of preparing their financial information for the audit, the District's financial statements required a number of audit adjustments in order to be materially correct.

**Criteria:**

An effective system of internal control over financial reporting includes the District's ability to generate financial statements in compliance with generally accepted accounting principles.

**Effect:**

The District's financial statements were materially misstated, and required several audit adjustments.

**Cause:**

The District does not have staff members with training in creating financial statements that are compliant with generally accepted accounting principles. The District did engage the services of an outside CPA to assist in preparation for the audit; however, this did not entirely resolve the problem.

**Recommendation:**

We recommend that the District continue to operate as it currently does. It is our opinion that it is more important to spend the District's resources training their staff to perform their accounting function in order to meet the WDE's reporting requirements, and to continue to use the outside CPA to help them prepare for their annual financial statement audit.

**Views of Responsible Officials and Planned Corrective Actions:**

The District will continue to train its staff to perform all the duties necessary to provide cash basis financial information to WDE and other State agencies, and will continue to obtain the services of the outside CPA to help them prepare for their GAAP based financial statement audit.

**Uinta County School District No. 4  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2013**

**Section III – Federal Award Findings and Questioned Costs:**

This section identifies the audit findings (significant deficiencies, material weaknesses, and material instances of noncompliance) required to be reported by Section 510(a) of OMB Circular A-133.

There were no findings to report.

**Uinta County School District No. 4  
Status of Prior Year Findings  
Year Ended June 30, 2013**

**Finding 2012-1**

*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 controls.

*Status*                         This condition existed again in the current year – see Finding 2013-1.

**Finding 2012-2**

*Condition*                    The District's records lack the necessary support for the District-Wide financial statements.

*Status*                         This condition existed again in the current year – see Finding 2013-2.