Uinta County School District No. 6

Financial Report
June 30, 2013

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DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

The Board of Trustees
Uinta County School District No. 6
Lyman, 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. 6, 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.

Ph: 307.885.4272 | Fax: 800.351.5062 | 431 South Washington, Suite 8 | P.O. Box 460 | Afton, WY 83110

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. 6, 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 31–35 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2013, on our consideration of Uinta County School District No. 6'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. 6's internal control over financial reporting and compliance.

DeCoria & Company, PC

DeCoria & Company, PC
Afton, Wyoming

October 1, 2013

Basic Financial Statements

Uinta County School District No. 6
Statement of Net Position - District-Wide
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 1,887,123	$ 69,944	$ 1,957,067
Cash in custody of County Treasurer	4,529,221	-	4,529,221
Investments	1,514,294	-	1,514,294
Grants receivable	244,753	-	244,753
Property taxes receivable	21,458	-	21,458
Inventories	49,569	7,985	57,554
Deferred bond issuance costs, to be amortized within one year	2,481	-	2,481
Due from other funds	23,117	-	23,117
Total current assets	8,272,016	77,929	8,349,945
Noncurrent assets:			
Deferred bond issuance costs, to be amortized after one year	16,129	-	16,129
Capital assets, net	24,037,288	95,534	24,132,822
Total noncurrent assets	24,053,417	95,534	24,148,951
Total assets	32,325,433	173,463	32,498,896
LIABILITIES			
Current liabilities:			
Accounts payable	353,571	-	353,571
Accrued liabilities	924,946	-	924,946
Deferred revenue	3,712	-	3,712
Compensated absences, due within one year	94,347	-	94,347
Capital leases, due within one year	68,966	-	68,966
Bond premium to be amortized within one year	95,562	-	95,562
Due to other funds	-	23,117	23,117
Total current liabilities	1,541,104	23,117	1,564,221
Noncurrent liabilities:			
Compensated absences, due after one year	147,569	-	147,569
Capital leases, due after one year	119,459	-	119,459
Bond premium to be amortized after one year	621,158	-	621,158
General obligation bonds, due after one year	5,000,000	-	5,000,000
Total noncurrent liabilities	5,888,186	-	5,888,186
Total liabilities	7,429,290	23,117	7,452,407
NET POSITION			
Net investment in capital assets	18,132,143	95,534	18,227,677
Restricted for recreation related actvities	100,322	-	100,322
Restricted for grant programs	90	-	90
Restricted for major maintenance projects	366,606	-	366,606
Restricted for payment of debt	4,529,221	-	4,529,221
Unrestricted	1,767,761	54,812	1,822,573
Total net position	$ 24,896,143	$ 150,346	$ 25,046,489

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

Uinta County School District No. 6
Statement of Activities - District-Wide
Year Ended June 30, 2013

	Primary Government					
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
Instruction:						
Regular instruction	$ 4,156,374	$ -	$ 108,191	$ (4,048,183)		$ (4,048,183)
Special instruction	1,027,941	-	319,514	(708,427)		(708,427)
Vocational instruction	336,889	-	9,235	(327,654)		(327,654)
Total instruction	5,521,204	-	436,940	(5,084,264)		(5,084,264)
Support services:						
Pupil services	1,722,788	-	-	(1,722,788)		(1,722,788)
Staff services	801,955	-	208,063	(593,892)		(593,892)
Central administration	532,437	-	-	(532,437)		(532,437)
School administration	526,004	-	-	(526,004)		(526,004)
Business administration	397,280	-	-	(397,280)		(397,280)
General maintenance	1,752,617	-	745,260	(1,007,357)		(1,007,357)
Transportation services	565,188	-	-	(565,188)		(565,188)
Community support	209,157	-	-	(209,157)		(209,157)
Interest	256,994	-	-	(256,994)		(256,994)
Depreciation	990,396	-	-	(990,396)		(990,396)
Total support services	7,754,816	-	953,323	(6,801,493)		(6,801,493)
Total governmental activities	13,276,020	-	1,390,263	(11,885,757)		(11,885,757)
Business-type activities:						
Food services	330,081	114,544	84,525		$ (131,012)	(131,012)
Total business-type activities	330,081	114,544	84,525		(131,012)	(131,012)
Total school district	$ 13,606,101	$ 114,544	$ 1,474,788	(11,885,757)	(131,012)	(12,016,769)
	General revenue:					
	Property taxes			5,024,968	-	5,024,968
	Interest and investment earnings			510,269	18	510,287
	Other local sources			584,022	-	584,022
	Other county sources			174,910	-	174,910
	State sources			6,541,074	-	6,541,074
	Federal sources			10,903	-	10,903
	Total general revenue			12,846,146	18	12,846,164
	Excess (deficiency) of expenditures over (under) revenues before transfers			960,389	(130,994)	829,395
	Special item:					
	Transfers (to) from			(112,000)	112,000	-
	Changes in net position			848,389	(18,994)	829,395
	Total net position, beginning of year			24,047,754	169,340	24,217,094
	Total net position, end of year			$ 24,896,143	$ 150,346	$ 25,046,489

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

Uinta County School District No. 6
Balance Sheet - Governmental Funds
June 30, 2013

	General Fund	Special Revenue Funds	Capital Construction Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,650,358	$ 230,691	$ 6,074	$ -	$ 1,887,123
Cash in custody of County Treasurer	-	-	-	4,529,221	4,529,221
Investments	1,514,294	-	-	-	1,514,294
Grants receivable	-	171,290	73,463	-	244,753
Property taxes receivable	21,458	-	-	-	21,458
Inventories	49,569	-	-	-	49,569
Due from other funds	89,888	49,621	-	-	139,509
Total assets	$ 3,325,567	$ 451,602	$ 79,537	$ 4,529,221	$ 8,385,927
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 263,063	$ 14,423	$ 76,085	$ -	$ 353,571
Accrued liabilities	924,946	-	-	-	924,946
Deferred revenue	-	3,712	-	-	3,712
Due to other funds	-	66,771	49,621	-	116,392
Total liabilities	1,188,009	84,906	125,706	-	1,398,621
Fund balances:					
Nonspendable	49,569	-	-	-	49,569
Restricted for recreation related actvities	100,322	-	-	-	100,322
Restricted for grant programs	-	90	-	-	90
Restricted for major maintenance projects	-	366,606	-	-	366,606
Restricted for payment of debt	-	-	-	4,529,221	4,529,221
Assigned	39,753	-	-	-	39,753
Unassigned	1,947,914	-	(46,169)	-	1,901,745
Total fund balances	2,137,558	366,696	(46,169)	4,529,221	6,987,306
Total liabilities and fund balances	$ 3,325,567	$ 451,602	$ 79,537	$ 4,529,221	$ 8,385,927

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

Uinta County School District No. 6
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		$ 6,987,306
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	$ 41,436,941	
Accumulated depreciation is	(17,399,653)	
		24,037,288
In a prior year, the District issued $5,000,000 of general obligation bonds with an interest rate of 7.00%. As part of this transaction, the following assets and liabilities are included in the Statement of Net Assets - District-Wide, but are not reported in the governmental funds:		
Deferred bond issuance costs, to be amortized within one year	2,481	
Deferred bond issuance costs, to be amortized after one year	16,129	
Bond premium to be amortized within one year	(95,562)	
Bond premium to be amortized after one year	(621,158)	
		(698,110)
Noncurrent liabilities, including capital lease obligations, accrued compensated absences and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds:		
Compensated absences, due within one year	(94,347)	
Capital leases, due within one year	(68,966)	
Compensated absences, due after one year	(147,569)	
Capital leases, due after one year	(119,459)	
General obligation bonds, due after one year	(5,000,000)	
		(5,430,341)
Total net position - District-Wide		$ 24,896,143

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

Uinta County School District No. 6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended June 30, 2013

	General Fund	Special Revenue Funds	Capital Construction Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Property taxes	$ 4,535,796	$ -	$ -	$ 489,172	$ 5,024,968
Interest and investment earnings	4,480	284	6	505,500	510,270
Other local sources	558,132	-	25,890	-	584,022
Other county sources	174,910	-	-	-	174,910
State sources	6,493,420	872,362	205,331	-	7,571,113
Federal sources	10,903	360,223	-	-	371,126
Total revenues	11,777,641	1,232,869	231,227	994,672	14,236,409
Expenditures:					
Instruction:					
Regular instruction	4,063,167	108,191	-	-	4,171,358
Special instruction	712,133	319,514	-	-	1,031,647
Vocational instruction	328,869	9,235	-	-	338,104
Total instruction	5,104,169	436,940	-	-	5,541,109
Support services:					
Pupil services	1,728,999	-	-	-	1,728,999
Staff services	593,892	208,063	-	-	801,955
Central administration	534,356	-	-	-	534,356
School administration	527,900	-	-	-	527,900
Business administration	398,712	-	-	-	398,712
General maintenance	1,434,452	539,929	232,101	-	2,206,482
Transportation services	700,147	-	-	-	700,147
Community Support	209,157	-	-	-	209,157
Principal and interest	-	-	-	350,075	350,075
Total support services	6,127,615	747,992	232,101	350,075	7,457,783
Total expenditures	11,231,784	1,184,932	232,101	350,075	12,998,892
Excess (deficiency) of revenues over (under) expenditures	545,857	47,937	(874)	644,597	1,237,517
Special items:					
Transfers (to) from other fund	(112,000)	-	-	-	(112,000)
Total special items, net	(112,000)	-	-	-	(112,000)
Net change in fund balances	433,857	47,937	(874)	644,597	1,125,517
Total fund balances, beginning of year	1,703,701	318,759	(45,295)	3,884,624	5,861,789
Total fund balances, end of year	$ 2,137,558	$ 366,696	$ (46,169)	$ 4,529,221	$ 6,987,306

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

Uinta County School District No. 6
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	$ 1,125,517
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 depreciation, $990,396, exceeded asset purchases, $453,865, during the current fiscal year.	(536,531)
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, compensated absences paid exceeded compensated absences earned by $33,878.	33,878
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces noncurrent liabilities in the Statement of Net Position - District-Wide.	132,444
In connection with the issuance of bonds in a prior year, the District recognized assets and liabilities which are being amortized over the life of the bonds. The net amortization is included as a reduction of interest on long-term debt in the Statement of Activities - District-Wide.	93,081
Changes in net position - District-Wide	$ 848,389

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

Uinta County School District No. 6
Statement of Net Position - Proprietary Fund
June 30, 2013

ASSETS		
Current assets:		
Cash		$ 69,944
Inventories		7,985
	Total current assets	77,929
Noncurrent assets:		
Capital assets, net		95,534
	Total assets	173,463
LIABILITIES		
Current liabilities:		
Due to other funds		23,117
	Total liabilities	23,117
NET POSITION		
Net position:		
Net investment in capital assets		95,534
Unrestricted		54,812
	Total net position	$ 150,346

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

Uinta County School District No. 6
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund
Year Ended June 30, 2013

Operating revenues:		
School meal sales		$ 101,162
Other food service income		13,382
	Total operating revenues	114,544
Operating expenses:		
Payroll costs		174,003
Direct food costs		136,304
Other expenses		150
Depreciation expense		19,624
	Total operating expenses	330,081
	Operating loss	(215,537)
Non-operating revenues:		
Federal grants		67,992
Federal commodities grant		16,533
Interest income		18
	Total non-operating revenues	84,543
	Loss before transfers	(130,994)
Transfer in		112,000
	Change in net position	(18,994)
Total net position, beginning of year		169,340
	Total net position, end of year	$ 150,346

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

Uinta County School District No. 6
Statement of Cash Flows - Proprietary Fund
Year Ended June 30, 2013

Cash flows from operating activities:	
Cash received from food service charges	$ 114,544
Cash paid for employee services	(163,575)
Cash paid for direct food costs	(113,806)
Cash paid for other	(150)
Net cash used by operating activities	(162,987)
Cash flows from non-capital financing activities:	
Transfer in	112,000
Non-operating grants	67,992
Net cash provided by non-capital financing activities	179,992
Cash flows from investing activities:	
Interest income	18
Net cash provided by investing activities	18
Decrease in cash and cash equivalents	17,023
Cash and cash equivalents, beginning of year	52,921
Cash and cash equivalents, end of year	$ 69,944
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (215,537)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	19,624
Non-cash commodities received	16,533
Changes in assets and liabilities:	
Inventories	5,965
Due to other funds	10,428
Net cash used by operating activities	$ (162,987)

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

Uinta County School District No. 6
Statement of Net Position - Fiduciary Funds
June 30, 2013

	Student Scholarship Fund	Student Activity Fund
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,424	$ 89,215
Total assets	4,424	89,215
LIABILITIES		
Current liabilities:		
Due to student groups	-	89,215
Total liabilities	-	89,215
NET POSITION		
Net position:		
Held for benefit of others	$ 4,424	$ -

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

Uinta County School District No. 6
Statement of Changes in Net Position - Fiduciary Funds
June 30, 2013

	Student Scholarship Fund
Contributions and donations:	
Outside donations	$ 15,952
Total contributions and donations	15,952
Payments and awards:	
Scholarship awards	14,850
Total payments and awards	14,850
Change in net position	1,102
Net position, beginning of year	3,322
Net position, end of year	$ 4,424

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

1. Summary of Significant Accounting Policies

A. Organization

Uinta County School District No. 6 ("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 component unit, the Uinta County School District No. 6 Recreation District ("the Recreation 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 Recreation District does not issue separate financial statements.

The District is a participant with Western Wyoming Community College ("the College") and Uinta County School District No. 4 in the operation of the Uinta County School District No. 4 and 6 Board of Cooperative Educational Services ("the 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 District No. 6, two from District No. 4 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. Upon 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 BOCES is not considered to be a component unit of the District, its financial information has not been included in the District's financial statements.

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.

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 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 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.

1. Summary of Significant Accounting Policies, Continued

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

The district-wide, proprietary fund 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, and any fund balance that is spendable and is not restricted, committed or assigned is considered as resources available for use.

Special Revenue Funds: The Special Revenue Funds are used to account for funds received from federal and state grants and other local sources that have restrictions on their use. These are budgeted funds.

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.

Debt Service Fund: The Debt Service Fund is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. The revenue of the fund consists primarily of local property taxes. This is a budgeted fund.

1. Summary of Significant Accounting Policies, Continued

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

The District reports the following proprietary fund:

Proprietary: The Proprietary Fund is used to account for the District's school lunch program, which makes 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 assets are considered as resources available for use.

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.

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 Position, 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:

	Governmental Activities	Business-Type Activities
Land improvements	10 to 30 years	--
Buildings and building improvements	20 to 50 years	--
General equipment	5 to 20 years	5 to 20 years
Transportation equipment	8 years	--

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 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 accounting principles generally accepted in the United States of America, no liability is recorded for non-vesting accumulated rights to receive sick pay.

The District records a liability for accumulated unused personal leave time for all eligible employees. Employees receive nine personal leave days per year and can accumulate a maximum of 110 days. Accumulated personal leave days in excess of the 110-day maximum are paid annually at the rate of $50 per day. At termination, employees are paid for their accumulated personal leave days on an increasing scale as follows: $25 per day for accumulated personal leave days between 1 and 49 days, $40 per day for accumulated personal leave days between 50 and 90 days, and $50 per day for accumulated personal leave over 90 days.

Accumulated personal leave that is expected to be utilized by employees during the upcoming fiscal year is reported as an expenditure and fund liability of the governmental fund that will pay it. Accumulated personal leave that is not expected to be utilized by employees during the upcoming fiscal year is reported as an obligation of the governmental funds in the district-wide statements. Accumulated personal leave of proprietary funds, if any, 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 investments 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.

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;

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. The fund balance can be assigned by the District's management;

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. Encumbrances

Encumbrances are recorded in the general fund when purchase orders are issued or contracts are entered into for goods or services, and are reflected as a reserved portion of the fund balance. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. Actual expenditures are recognized when the goods or services are received. Unspent appropriations lapse at year end.

1. Summary of Significant Accounting Policies, Continued

O. 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.

P. 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.

Q. 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.

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.

3. 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 $1,957,067 and bank balances totaled $2,234,902. 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.

3. Cash and Cash Equivalents, Continued

As of June 30, 2013 the District's bank balances of $2,234,902 (including restricted cash and cash deposits for fiduciary funds) were insured or collateralized as follows:

Insured by FDIC	$ 250,000
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.	1,984,902
Total	$ 2,234,902

Cash held by the Uinta County Treasurer is covered by FDIC insurance and/or collateralized by the banks used by the Uinta County Treasurer.	$ 4,529,221

4. 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.

Investment	Maturities	Interest Rate	Fair Value
WYO-Star Local Government Investment Pool	266 days average	n/a	$ 1,514,294
Total investments			$ 1,514,294

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 was not rated as to credit risk because they are not evidenced by securities that exist in physical or book entry form.

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 Local Government Investment Pool. This investment represents 100% of the District's total investments.

The WYO-STAR Local Government Investment Pool is managed by the Wyoming State Treasurer.

5. 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 $171,290.

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 $21,458.

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.

6. Capital Assets

Capital asset activity for the year ended June 30, 2012 is as follows:

Governmental Activities:

	June 30, 2012	Additions	Disposals	June 30, 2013
Buildings	$ 33,053,105	$ -	$ -	$ 33,053,105
Building improvements	2,366,820	-	-	2,366,820
Land improvements	256,096	339,587	-	595,683
Vehicles	1,635,725	-	-	1,635,725
Equipment	1,567,106	-	-	1,567,106
Total depreciable capital assets	38,878,852	339,587	-	39,218,439
Accumulated depreciation	(16,409,257)	(990,396)	-	(17,399,653)
Net depreciable capital assets	22,469,595	(650,809)	-	21,818,786
Land	2,104,224	54,900	-	2,159,124
Construction in progress	-	59,378	-	59,378
Net capital assets	$ 24,573,819	$ (536,531)	$ -	$ 24,037,288

Depreciation expense recognized by the District's governmental activities was $990,396.

6. Capital Assets, Continued

Capital assets used by governmental activities included leased transportation equipment with a cost of $712,283. During 2013, amortization expense on this equipment was $90,463, and accumulated depreciation was $365,582 at June 30, 2012 (see Note 10).

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.

Capital asset activity for the year ended June 30, 2013 is as follows, continued

Business-type Activities:

Lunch Fund:

	June 30, 2012	Additions	Disposals	June 30, 2013
Equipment	$ 421,549	$ -	$ -	$ 421,549
Accumulated depreciation	(306,390)	(19,624)	-	(326,014)
Net capital assets	$ 115,159	$ (19,624)	$ -	$ 95,535

Depreciation expense recognized by the District's Lunch Fund was $19,624.

7. 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:

Due To	Due From	Amount
General	Special Revenue Fund	$ 66,771
General	Food Service Fund	23,117
Special Revenue	Capital Construction	49,621

8. Interfund Transfers

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

Transfer From	Transfer To	Reason	Amount
General Fund	Food Service Fund	Cover Food Service Fund shortfall	$ 112,000

9. 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.

10. Long-Term Obligations

General Obligation Bonds

On October 30, 2006, the District issued $5,000,000 in general obligation bonds, series 2006, with an interest rate of 7.00%. The bonds are general obligations of the District which are secured by the proceeds of ad valorem taxes to be levied without limitation as to rate or amount on all taxable property in the District. The bond proceeds are being used to acquire, erect, improve, remodel, repair, equip, furnish and add to buildings within the District.

The total proceeds generated by the bond issuance were $6,381,994, which included a bond premium of $1,353,800 and accrued interest collected of $28,194. The bond premium is being amortized over the life of the bonds, 170 months. Bond issuance costs, totaling $35,150, are also being amortized over the life of the bonds. The net funds received by the District from the bond issuance, $6,346,844, were initially deposited into an investment account with the WYO-STAR Local Government Investment Pool (see Note 4).

During 2013, amortization of deferred bond issuance costs was recognized in the amount of $2,481 and amortization of the bond premium was recognized in the amount of $95,562. These amounts offset each other, with the net amortization of $93,081 being recognized as a reduction of interest expense on long-term debt in the Statement of Activities – District-Wide. The balance remaining at June 30, 2013 for unamortized deferred bond issuance costs is $18,610, and the balance remaining for the unamortized bond premium is $716,720, both of which are included in the Statement of Net Assets – District-Wide.

The annual requirements to pay the above bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ --	$ 350,000	$ 350,000
2015	--	350,000	350,000
2016	--	350,000	350,000
2017	--	350,000	350,000
2018	--	350,000	350,000
2019 - 2021	5,000,000	875,000	5,875,000
	$ 5,000,000	$ 2,625,000	$ 7,625,000

10. Long-Term Obligations, Continued

Capital Lease Obligations

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

Year Ending June 30,	
2014	$ 75,316
2015	57,404
2016	49,793
2018	18,255
Total future minimum lease payments	200,768
Less amount representing interest	(12,343)
Present value of net minimum lease payments	188,425
Less amount due within one year	(68,966)
Amount due after one year	$ 119,459

Interest expense recorded associated with capital lease obligations totaled $18,896 for the year ended June 30, 2013.

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

	Long-Term Obligations June 30, 2012	Long-Term Obligations Incurred	Long-Term Obligations Paid	Long-Term Obligations June 30, 2013
General obligation bonds	$ 5,000,000	$ --	$ --	$ 5,000,000
Capital lease obligations	320,869	--	(132,444)	188,425
Accrued compensated absences	275,794	149,263	(183,141)	241,916
	$ 5,596,663	$ 149,263	$ (315,585)	$ 5,430,341

11. Wyoming Retirement System Defined Contribution Plan

All full-time and regular part-time employees participate in the State of Wyoming Retirement System, a multi-employer, cost-sharing public employee retirement plan ("the 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.

11. Wyoming Retirement System Defined Contribution Plan

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 $1,033,067, $928,160, and $840,068, 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. Fund Equity

Restrictions of fund balances and 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 fund balances are summarized below:

General Fund: The fund balance is restricted to segregate funds which were received from property taxes and user fees for use in the District's recreation activities consisting in large part of the District's swimming pool.

Special Revenue: The fund balance is restricted to segregate funds for the purposes stipulated by each individual grant program or capital outlay expenditures which meet the Wyoming School Facilities Commission's definition of major maintenance.

Capital Construction: The fund balance is restricted to segregate funds for capital outlay expenditures.

Debt Service: The fund balance is restricted to segregate a portion of the net assets for debt service, including both principal payments and interest payments.

13. 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 fund or District-Wide financial statements and accordingly, no provision for loss has been recorded.

14. 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.

15. 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. 6
Budgetary Comparison Schedule (Budgetary Basis) for the General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ 4,521,785	$ 4,996,482	$ 4,544,898	$ 474,697	$ (451,584)
Interest and investment earnings	8,600	8,600	4,483	-	(4,117)
Other local sources	359,250	487,039	673,443	127,789	186,404
Other county sources	154,325	182,373	169,566	28,048	(12,807)
State sources	6,470,435	6,470,435	6,493,420	-	22,985
Federal sources	7,000	11,000	10,903	4,000	(97)
Total revenues	11,521,395	12,155,929	11,896,713	634,534	(259,216)
Expenditures:					
Instruction:					
Regular instruction	3,948,260	4,100,000	3,967,118	(151,740)	132,882
Special instruction	722,509	900,000	837,754	(177,491)	62,246
Vocational instruction	339,950	400,000	328,645	(60,050)	71,355
Total instruction	5,010,719	5,400,000	5,133,517	(389,281)	266,483
Support services:					
Pupil services	1,724,894	1,835,000	1,736,589	(110,106)	98,411
Staff services	588,358	626,475	591,510	(38,117)	34,965
Central administration	498,765	540,000	533,179	(41,235)	6,821
School administration	547,943	540,000	527,924	7,943	12,076
Business administration	298,608	303,000	296,702	(4,392)	6,298
General administration	107,300	109,000	100,452	(1,700)	8,548
General maintenance	1,561,012	1,538,000	1,431,917	23,012	106,083
Transportation services	688,111	720,000	706,948	(31,889)	13,052
Community support	169,650	225,350	207,426	(55,700)	17,924
Total support services	6,184,641	6,436,825	6,132,647	(252,184)	304,178
Total expenditures	11,195,360	11,836,825	11,266,164	(641,465)	570,661
Excess (deficiency) of revenues over (under) expenditures before transfers	326,035	319,104	630,549	1,275,999	311,445
Special item:					
Transfers (to) from other fund	(112,000)	(112,000)	(112,000)	-	-
Net change in fund balance	$ 214,035	$ 207,104	518,549	$ 1,275,999	$ 311,445
Net adjustments to the modified accrual basis of accounting			(84,692)		
Change in fund balance			$ 433,857		

See accompanying Independent Auditor's Report.

Uinta County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Special Revenue Funds
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	1,000	1,050	284	50	(766)
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	840,711	875,185	874,178	34,474	(1,007)
Federal sources	656,636	656,636	352,808	-	(303,828)
Total revenues	1,498,347	1,532,871	1,227,270	34,524	(305,601)
Expenditures:					
Instruction:					
Regular instruction	180,000	180,000	108,896	-	71,104
Special instruction	360,000	388,597	213,426	(28,597)	175,171
Vocational instruction	20,000	20,000	10,144	-	9,856
Total instruction	560,000	588,597	332,466	(28,597)	256,131
Support services:					
Pupil services	-	-	-	-	-
Staff services	349,765	349,765	208,063	-	141,702
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	765,500	765,500	533,924	-	231,576
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
Total support services	1,115,265	1,115,265	741,987	-	373,278
Total expenditures	1,675,265	1,703,862	1,074,453	(28,597)	629,409
Excess (deficiency) of revenues over (under) expenditures before transfers	(176,918)	(170,991)	152,817	5,927	323,808
Special item:					
Transfers (to) from other fund	(40,000)	(40,000)	-	-	40,000
Net change in fund balance	$ (216,918)	$ (210,991)	152,817	$ 5,927	$ 363,808
Net adjustments to the modified accrual basis of accounting			(104,880)		
Change in fund balance			$ 47,937		

Uinta County School District No. 6
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
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	50	50	6	-	(44)
Other local sources	20,000	26,000	25,890	6,000	(110)
Other county sources	-	-	-	-	-
State sources	3,124,380	3,124,380	131,868	-	(2,992,512)
Federal sources	-	-	-	-	-
Total revenues	3,144,430	3,150,430	157,764	6,000	(2,992,666)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	3,124,380	3,129,630	161,953	(5,250)	2,967,677
Transportation services	-	-	-	-	-
Community support	-	-	-	-	-
Total support services	3,124,380	3,129,630	161,953	(5,250)	2,967,677
Total expenditures	3,124,380	3,129,630	161,953	(5,250)	2,967,677
Excess (deficiency) of revenues over (under) expenditures before transfers	20,050	20,800	(4,189)	11,250	(24,989)
Special item:					
Transfers (to) from other fund	-	-	-	-	-
Net change in fund balance	$ 20,050	$ 20,800	(4,189)	$ 11,250	$ (24,989)
Net adjustments to the modified accrual basis of accounting			3,315		
Change in fund balance			$ (874)		

See accompanying Independent Auditor's Report.

Uinta County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Debt Service Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ 893,755	$ 977,340	$ 489,172	$ 83,585	$ (488,168)
Interest and investment earnings	35,000	35,000	505,500	-	470,500
Other local sources	-	-	-	-	-
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Total revenues	928,755	1,012,340	994,672	83,585	(17,668)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Principal and interest	351,000	351,000	350,075	-	925
Total support services	351,000	351,000	350,075	-	925
Total expenditures	351,000	351,000	350,075	-	925
Excess (deficiency) of revenues over (under) expenditures before transfers	577,755	661,340	644,597	83,585	(16,743)
Special item:					
Transfers (to) from other fund	-	-	-	-	-
Net change in fund balance	$ 577,755	$ 661,340	644,597	$ 83,585	$ (16,743)
Net adjustments to the modified accrual basis of accounting			-		
Change in fund balance			$ 644,597		

Uinta County School District No. 6
Budgetary Comparison Schedule (Budgetary Basis) for the Proprietary Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Budgetary Basis	Variances Positive/(Negative)	
	Original	Final		Original to Final	Final to Actual
Revenues:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Interest and investment earnings	25	25	18	-	(7)
Other local sources	123,750	124,010	114,544	260	(9,466)
Other county sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	85,000	85,000	67,992	-	(17,008)
Total revenues	208,775	209,035	182,554	260	(26,481)
Expenditures:					
Instruction:					
Regular instruction	-	-	-	-	-
Special instruction	-	-	-	-	-
Vocational instruction	-	-	-	-	-
Total instruction	-	-	-	-	-
Support services:					
Pupil services	-	-	-	-	-
Staff services	-	-	-	-	-
Central administration	-	-	-	-	-
School administration	-	-	-	-	-
Business administration	-	-	-	-	-
General maintenance	-	-	-	-	-
Transportation services	-	-	-	-	-
Food Services	320,662	320,662	287,959	-	32,703
Total support services	320,662	320,662	287,959	-	32,703
Total expenditures	320,662	320,662	287,959	-	32,703
Excess (deficiency) of revenues over (under) expenditures before transfers	(111,887)	(111,627)	(105,405)	260	6,222
Special item:					
Transfers (to) from other fund	112,000	112,000	112,000	-	-
Net change in fund balance	$ 113	$ 373	6,595	$ 260	$ 6,222
Net adjustments to the accrual basis of accounting			(25,589)		
Change in net position			$ (18,994)		

See accompanying independent auditor's report.

Uinta County School District No. 6
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

DeCoria & Company PC
CERTIFIED PUBLIC ACCOUNTANTS

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. 6
Lyman, 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. 6, 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. 6's basic financial statements and have issued our report thereon dated October 1, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Uinta County School District No. 6'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. 6's internal control. Accordingly, we do not express an opinion on the effectiveness of Uinta County School District No. 6's internal control.

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

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

Ph: 307.885.4272 | Fax: 800.351.5062 | 431 South Washington, Suite 8 | P.O. Box 460 | Afton, WY 83110

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Uinta County School District No. 6'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. 6's Response to Findings

Uinta County School District No. 6's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Uinta County School District No. 6'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

October 1, 2013

Uinta County School District No. 6
Schedule of Findings and Responses
Year Ended June 30, 2013

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.

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 which is required by the Wyoming Department of Education (WDE), 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.

District No. 6
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.

Finding 2012-2

Condition	The District overspent its adopted budget in one of its funds.
Status	This condition was corrected in the current year.