

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

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LEO RILEY & Co.
Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 24 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Weston County School District No. One's basic financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the 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 Nonprofit Organizations* and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2013 on our consideration of Weston County School District No. One's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Weston County School District No. One's internal control over financial reporting and compliance.

NOTICE

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

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

A handwritten signature in cursive script that reads "Leo Riley & Co". The signature is written in dark ink and is positioned above the date.

November 13, 2013

WESTON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF NET POSITION
JUNE 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,119,990	\$ 21,653	\$ 2,141,643
Property taxes receivable	49,159		49,159
Grants receivable	28,197		28,197
Other receivables	6,468		6,468
Inventory		1,820	1,820
Total current assets	<u>\$ 2,203,814</u>	<u>\$ 23,473</u>	<u>\$ 2,227,287</u>
Capital assets (Note 3)			
Depreciable	\$ 47,222,492	\$ 289,262	\$ 47,511,754
Accumulated depreciation	<u>(15,506,144)</u>	<u>(235,528)</u>	<u>(15,741,672)</u>
	\$ 31,716,348	\$ 53,734	\$ 31,770,082
Non-depreciable			
Land	353,045		353,045
Construction in progress	124,178		124,178
Capital assets net	<u>\$ 32,193,571</u>	<u>\$ 53,734</u>	<u>\$ 32,247,305</u>
Total assets	<u>\$ 34,397,385</u>	<u>\$ 77,207</u>	<u>\$ 34,474,592</u>
LIABILITIES			
Current liabilities			
Accounts payable/accrued expenses	\$ 247,778	\$ 154	\$ 247,932
Unearned revenues	17,931		17,931
Compensated absences	100,438		100,438
Current portion of long-term debt (Note 4)			
Capital leases	218,731		218,731
Total current liabilities	<u>\$ 584,878</u>	<u>\$ 154</u>	<u>\$ 585,032</u>
Noncurrent liabilities less current portion (Note 4)			
Capital lease obligations	\$ 96,850		\$ 96,850
Total long-term liabilities	<u>\$ 96,850</u>		<u>\$ 96,850</u>
Total liabilities	<u>\$ 681,728</u>	<u>\$ 154</u>	<u>\$ 681,882</u>
NET POSITION			
Invested in capital assets, net of related debt	\$ 31,877,990	\$ 53,734	\$ 31,931,724
Restricted	347,936		347,936
Unrestricted	1,489,731	23,319	1,513,050
Total net positions	<u>\$ 33,715,657</u>	<u>\$ 77,053</u>	<u>\$ 33,792,710</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues			Expenses			Net Revenue (Expenses) and Changes in Net Positions		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities	Total
Governmental Activities									
Instruction									
Regular instruction	\$ 5,618,088	\$ 15,357	\$ 31,527	\$ 5,618,088	\$ (5,571,204)	\$	\$ (5,571,204)		\$ (5,571,204)
Special instruction Activities	3,004,464	753,806		3,004,464	(2,250,658)		(2,250,658)		(2,250,658)
Instructional support	469,151			469,151	(469,151)		(469,151)		(469,151)
Student services	749,281			749,281	(749,281)		(749,281)		(749,281)
Library services	158,181			158,181	(158,181)		(158,181)		(158,181)
Staff development	707,166	315,063		707,166	(392,103)		(392,103)		(392,103)
General support									
Central administration	245,781			245,781	(245,781)		(245,781)		(245,781)
School administration	786,222			786,222	(786,222)		(786,222)		(786,222)
Finance	65,911			65,911	(65,911)		(65,911)		(65,911)
Board of Education	89,018			89,018	(89,018)		(89,018)		(89,018)
Operations and Maintenance	1,659,774			1,659,774	(1,659,774)		(1,659,774)		(1,659,774)
Transportation	1,055,204			1,055,204	(1,055,204)		(1,055,204)		(1,055,204)
Technology services	307,716			307,716	(307,716)		(307,716)		(307,716)
Business administration	535,565			535,565	(535,565)		(535,565)		(535,565)
Community support	181,565			181,565	(181,565)		(181,565)		(181,565)
Total governmental activities	\$ 15,729,913	\$ 1,068,869	\$ 31,527	\$ 15,729,913	\$ (14,614,160)	\$	\$ (14,614,160)		\$ (14,614,160)
Proprietary Activities									
Food service operations	\$ 372,451	\$ 184,756	\$	\$ 372,451	\$	\$ (55,271)	\$	\$ (55,271)	\$ (55,271)
General Revenue:									
District property taxes					\$ 4,110,245	\$	\$ 4,110,245		\$ 4,110,245
County property taxes					854,020		854,020		854,020
Fines and forfeitures					387,092		387,092		387,092
State equalization payments					8,204,660		8,204,660		8,204,660
Other state revenue					10,609		10,609		10,609
Major maintenance payment					627,511		627,511		627,511
Investment earnings					4,992		4,992	28	5,020
Other revenue					12,320		12,320		12,320
Transfers					(50,000)		(50,000)	50,000	0
Total general revenue					\$ 14,161,449	\$ 50,028	\$ 14,211,477		\$ 14,211,477
Change in net positions					(355,885)	\$ (5,243)	(361,128)		(361,128)
Net positions- Beginning of year					34,071,542	82,296	34,153,838		34,153,838
Net positions - End of year					\$ 33,715,657	\$ 77,053	\$ 33,792,710		\$ 33,792,710

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General Fund	Major Maintenance Fund	Non Major Funds	Total
ASSETS				
Cash and cash equivalents	\$ 1,585,678	\$ 393,280	\$ 141,031	\$ 2,119,989
Property taxes receivable	46,987		2,172	49,159
Due from other funds	19,844			19,844
Grant receivables	101		28,197	28,298
Other receivables	368		6,000	6,368
Total assets	<u>\$ 1,652,978</u>	<u>\$ 393,280</u>	<u>\$ 177,400</u>	<u>\$ 2,223,658</u>
LIABILITIES				
Accounts payable	\$ 60,177	\$ 159,561	\$ 25,407	\$ 245,145
Accrued liabilities	2,633			2,633
Due to other funds			19,844	19,844
Deferred revenue			17,932	17,932
Total liabilities	<u>\$ 62,810</u>	<u>\$ 159,561</u>	<u>\$ 63,183</u>	<u>\$ 285,554</u>
FUND BALANCES				
Restricted	\$	\$ 233,719	\$ 114,217	\$ 347,936
Uncommitted	1,590,168			1,590,168
Total fund balances	<u>\$ 1,590,168</u>	<u>\$ 233,719</u>	<u>\$ 114,217</u>	<u>\$ 1,938,104</u>
Total liabilities and fund balances	<u>\$ 1,652,978</u>	<u>\$ 393,280</u>	<u>\$ 177,400</u>	<u>\$ 2,223,658</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION

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

Total fund balance per the balance sheet - Governmental Funds		\$ 1,938,104
Capital assets not reported on the balance sheet	\$ 47,699,715	
Less: Accumulated depreciation	<u>(15,506,144)</u>	32,193,571
Liabilities not reported on the balance sheet		
Compensated absences	\$(100,438)	
Capital lease payable	<u>(315,580)</u>	<u>(416,018)</u>
Total net positions - Governmental Activities		<u>\$ 33,715,657</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	General Fund	Major Maintenance Fund	Non Major Funds	Total
REVENUES				
Local sources	\$ 3,839,145	\$ 64,341	\$ 239,070	\$ 4,142,556
County sources	1,241,621			1,241,621
State sources	8,215,269	627,511	315,062	9,157,842
Federal sources			785,333	785,333
Sale of assets	252			252
Total revenues	<u>\$ 13,296,287</u>	<u>\$ 691,852</u>	<u>\$ 1,339,465</u>	<u>\$ 15,327,604</u>
EXPENDITURES				
Current -				
Instruction	\$ 4,839,416	\$	\$ 686,702	\$ 5,526,118
Special instruction	2,377,563		449,451	2,827,014
Instructional support	1,165,177			1,165,177
General support	4,080,163	557,210	52,791	4,690,164
Community support	37,234		144,332	181,566
Debt service -				
Principal	446,077			446,077
Interest	27,983			27,983
Total expenditures	<u>\$ 12,973,613</u>	<u>\$ 557,210</u>	<u>\$ 1,333,276</u>	<u>\$ 14,864,099</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 322,674</u>	<u>\$ 134,642</u>	<u>\$ 6,189</u>	<u>\$ 463,505</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers (source)	\$ 45,133	\$	\$(45,133)	\$
Operating transfers (uses)	(50,000)			(50,000)
Total other financing sources (uses)	<u>\$(4,867)</u>	<u>\$</u>	<u>\$(45,133)</u>	<u>\$(50,000)</u>
NET CHANGE IN FUND BALANCE	\$ 317,807	\$ 134,642	\$(38,944)	\$ 413,505
FUND BALANCES AT JUNE 30, 2012	<u>1,272,361</u>	<u>99,077</u>	<u>153,161</u>	<u>1,524,599</u>
FUND BALANCES AT JUNE 30, 2013	<u>\$ 1,590,168</u>	<u>\$ 233,719</u>	<u>\$ 114,217</u>	<u>\$ 1,938,104</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

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

Total net change in fund balances per the statement of revenues, expenditures and changes in fund balances	\$ 413,505
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All capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those capital outlays other than non-capitalized items are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period

Capital outlay	\$ 298,985	
Depreciation	<u>(1,513,727)</u>	(1,214,742)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in compensated absences		(726)
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Repayment of bond and capital lease principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities

	<u>446,078</u>
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Total change in net positions - governmental activities	<u>\$ (355,885)</u>
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(The accompanying notes to the basic financial statements are an integral part of this statement)

WESTON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

	Business-Type Activities Enterprise Funds
	<u>Food Services Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 21,653
Inventories	1,820
Total current assets	<u>\$ 23,473</u>
Capital assets	\$ 289,262
Less: Depreciation	<u>(235,528)</u>
Total capital assets	<u>\$ 53,734</u>
Total assets	<u>\$ 77,207</u>
LIABILITIES	
Accounts payable	<u>\$ 154</u>
Total liabilities	<u>\$ 154</u>
NET ASSETS	
Investment in capital assets	\$ 53,734
Unrestricted	<u>23,319</u>
Total net positions	<u>\$ 77,053</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION - PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	Business-Type Activities Enterprise Funds
	Food Services Fund
REVENUES:	
User charges	\$ 184,756
OPERATING EXPENSES:	
Salaries	\$ 162,433
Employee benefits	38,851
Purchased services	591
Supplies	163,053
Depreciation expense	7,353
Dues and fees	170
	\$ 372,451
OPERATING INCOME (LOSS)	\$(187,695)
NON OPERATING REVENUES (EXPENSES)	
Government sources	\$ 132,424
Interest	28
	\$ 132,452
INCOME (LOSS) BEFORE OPERATING TRANSFERS	\$(55,243)
OPERATING TRANSFERS IN	50,000
CHANGE IN NET POSITION	\$(5,243)
TOTAL NET POSITION - BEGINNING OF YEAR	82,296
TOTAL NET POSITION - END OF YEAR	\$ 77,053

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Business-Type Activities Enterprise Funds
	<u>Food Services Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
User charges	\$ 184,756
Payments to employees for salaries and benefits	(201,284)
Payments to suppliers	<u>(163,660)</u>
Net cash received from (used for) operating activities	\$(<u>180,188</u>)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating grants received	\$ 132,424
Operating transfers	<u>50,000</u>
	<u>\$ 182,424</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>\$ 28</u>
NET INCREASE (DECREASE) IN CASH	\$ 2,264
CASH AT BEGINNING OF YEAR	<u>19,389</u>
CASH AT END OF YEAR	<u>\$ 21,653</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income (loss)	\$(187,695)
Adjustments:	
Depreciation	7,353
Increase in accounts payable	<u>154</u>
Net cash provided (used) by operating activities	<u>\$(180,188)</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE
STATEMENT OF AGENCY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Private Purpose Trust</u>	<u>Employee Benefit Trust</u>	<u>Agency Fund</u>
	<u>Scholarship</u>	<u>Early Retirement Awards</u>	<u>Student Activity</u>
Assets:			
Cash	\$ 4,251	\$ 26,725	\$ 237,859
Investments	106,215		
Total assets	<u>\$ 110,466</u>	<u>\$ 26,725</u>	<u>\$ 237,859</u>
Liabilities:			
Due to students	\$ _____	\$ _____	<u>\$ 237,859</u>
Total liabilities	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 237,859</u>
Net positions held in trust for:			
Early retirees	\$ _____	\$ 26,725	\$ _____
Scholarship principal	110,466		
Total net positions	<u>\$ 110,466</u>	<u>\$ 26,725</u>	<u>\$ _____</u>

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF CHANGES IN NET POSITIONS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	<u>Private Purpose Trust</u>	<u>Employee Benefits Trust</u>
	<u>Scholarship Trust</u>	<u>Early Retirement Awards</u>
Additions:		
Interest and investment earnings	\$ 7,209	\$ 41
Deductions:		
Benefits paid	\$ 6,000	\$ 1,106
Scholarships	2,111	
Administrative costs	<u>8,111</u>	<u>1,106</u>
Changes in net assets held in trust	\$(902)	\$(1,065)
Net positions, beginning of the year	<u>111,368</u>	<u>27,790</u>
Net positions, end of the year	<u>\$ 110,466</u>	<u>\$ 26,725</u>

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Weston County School District No. One provides education for citizens in Newcastle, Wyoming and the surrounding area under Wyoming State Statutes.

All operations of the School are controlled by a nine member Board of Trustees, elected in School-wide elections, and responsible for all of the School's activities. The financial statements include all of the School's operations controlled by the Board of Trustees. Based on the criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the School is considered to be an independent reporting entity and has no component units.

Basis of Presentation and Basis of Accounting

Government-wide Statements - The statement of net assets and the statement of activities show information about the overall financial position and activities of the school district with the exception of the student activity fund. Eliminations have been made to minimize the double-counting of internal activities.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting. The activities of the School are generally financed through property taxes, state equalization funding, and federal and state grants. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flows take place. On the accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which eligibility requirements have been met.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School's governmental activities. Direct expenses are those that are specifically associated with a program or function. Program revenues include fees for services (primarily out-of-state tuition, school lunch and breakfast charges) and grants and contributions that are restricted to a particular program. Revenues that are not classified as program revenues, including all property taxes, are presented as general revenues.

Fund Financial Statements - These statements provide information about the School's funds, including a separate statement for the School's fiduciary fund (the student activity fund). The emphasis of fund financial statements is on major governmental funds. All funds are presented individually in their own column.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. State and other governmental revenues applicable to the current fiscal year and collected soon after year end are recognized as revenue.

Most current property taxes receivable are delinquent at June 30 and amounts collected soon after year end are not significant.

WESTON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and payments for compensated absences which are recognized as expenditures when paid. General capital asset acquisitions are reported as expenditures in governmental funds and proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Major Funds - Generally accepted accounting principles require that the general fund be reported as a major fund and that all other governmental funds whose assets, liabilities, revenues, or expenditures exceed 10% or more of the total for all government funds also be reported as major funds. Accordingly, the School reports the following major governmental fund:

General fund. This is the School's primary operating fund and it accounts for all financial resources of the School except those required to be accounted for in other funds.

Major maintenance. This fund is used to account for State funds restricted to the District major maintenance projects.

Non Major Funds - All other funds that do not meet the definition of a major fund are presented as a single column in the fund financial statements. The funds that are classified as non major funds are the debt service fund, the recreation board fund, BOCES fund, major maintenance fund, Federal grant fund, State grant fund, and capital construction fund.

Proprietary fund types. The District uses the enterprise fund to account for school lunch activities. This fund is operated on the enterprise concept as it is designated to be self-supporting from an operational point of view.

Fiduciary fund types. Agency funds account for assets held in a custodial capacity. These funds account for monies held for various student groups, scholarship trusts and monies awarded to former employees as a retirement incentive to be used for the individuals' health insurance costs.

Budgets

The budgets are prepared on the cash basis of accounting in accordance with Wyoming State Statute. All budgetary appropriations lapse at June 30, the end of the fiscal year.

WESTON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Under Wyoming Department of Education requirements, the budget should not be exceeded in any major category.

Property Taxes

Property taxes are levied, billed, and collected by Weston County on behalf of the School District. Taxes are levied on or about August 1 and payable in two installments by November 15 and May 15. Property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period for the fund financial statements.

Wyoming Statute requires the District to assess property taxes of 25 mills on the property within the District. Wyoming Statute also requires the District to share with other District's within Weston County a 6 mill tax on all property of the District. The District has assessed all mill levies required under Wyoming Statute.

The School District has also formed the Eastern Wyoming Recreation Board which under Wyoming State Statute is allowed to assess 1 mill. The Recreation Board has levied this 1 mill.

Inventories

Inventories of the school lunch fund are accounted for at the lower of cost (first-in, first-out method) or market.

Capital Assets

Capital assets are carried at actual or estimated historical cost based on appraisals. Major additions and betterments with a cost in excess of \$5,000 are recorded as additions to fixed assets. Repairs and maintenance costs are not capitalized. Construction work in process is not depreciated until placed in service. Depreciation is computed using the straight-line method and the estimated useful lives are as follows:

Building and improvements	20 - 40 years
Equipment	5 - 10 years
Transportation equipment	10 years

Deferred Outflows/Inflows of Resources

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position

Net positions represent the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the district-wide financial statements. Net positions are classified in the following categories:

Net investment in capital assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements of the assets.

Restricted net position - This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted net position - This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

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

Fund Balance

Fund balance has been classified as follows based upon the relative strength of the spending constraints:

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

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Cash and Cash Equivalents Proprietary Fund Type

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

New GASB Pronouncements

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

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

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

NOTE 2. CASH AND INVESTMENTS

Cash consists of checking accounts held at institutions within the District and certificates of deposit. All cash deposits of the District are fully insured and collateralized at June 30, 2013.

Wyoming statute authorizes the School District to invest in obligations of the U.S. Treasury, U.S. guaranteed real estate mortgages, Farm Home Administration (FHA) insured notes, FHA debentures and savings certificates and certificates of deposit which are federally insured, or secured by a pledge of assets, provided the pledge is authorized by the FDIC or FSLIC. At June 30, 2013, the District had no such investments.

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

NOTE 3. CAPITAL ASSETS

Capital asset activity during 2013 was as follows:

	Cost of Assets				Balance June 30, 2013
	Balance June 30, 2012	Additions	Transfers	Deletions	
Governmental Activities					
Non-depreciable assets					
Land	\$ 353,045	\$	\$	\$	\$ 353,045
Construction in progress		124,178			124,178
	<u>\$ 353,045</u>	<u>\$ 124,178</u>	<u>\$</u>	<u>\$</u>	<u>\$ 477,223</u>
Depreciable assets					
Buildings	\$ 41,686,475	\$ 46,706	\$	\$	\$ 41,733,181
Equipment	2,619,319	128,101			2,747,420
Vehicles	2,741,891				2,741,891
	<u>\$ 47,047,685</u>	<u>\$ 174,807</u>	<u>\$</u>	<u>\$</u>	<u>\$ 47,222,492</u>
	<u>\$ 47,400,730</u>	<u>\$ 298,985</u>	<u>\$</u>	<u>\$</u>	<u>\$ 47,699,715</u>
Proprietary Activities					
Depreciable assets					
Buildings	\$ 150,830	\$	\$	\$	\$ 150,830
Equipment	138,432				138,432
	<u>\$ 289,262</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 289,262</u>

	Accumulated Depreciation				Balance June 30, 2013
	Balance June 30, 2012	Additions	Transfers	Deletions	
Governmental Activities					
Depreciable assets					
Buildings	\$ 10,887,665	\$ 1,034,886	\$	\$	\$ 11,922,551
Equipment	1,467,051	295,198			1,762,249
Vehicles	1,637,496	183,848			1,821,344
	<u>\$ 13,992,212</u>	<u>\$ 1,513,932</u>	<u>\$</u>	<u>\$</u>	<u>\$ 15,506,144</u>
Proprietary Activities					
Depreciable assets					
	<u>\$ 228,175</u>	<u>\$ 7,353</u>	<u>\$</u>	<u>\$</u>	<u>\$ 235,528</u>

Depreciation in the statement of activities has been charged to the following functions:

Instruction - general	\$ 1,189,166
Transportation	275,841
Operations and maintenance	23,411
Business administration	12,655
Central administration	12,655
	<u>\$ 1,513,728</u>

NOTE 4. LONG-TERM DEBT

Lease Purchase Obligations Payable

The District entered into three lease contracts for the purchase of thirteen school buses. The leases have been capitalized in the capital assets account.

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

NOTE 4. LONG-TERM DEBT (Continued)

<u>Lease</u>	<u>Number of buses</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Annual Payments</u>	<u>Asset Cost</u>
# 1	9	June, 2013	3.95%	\$ 245,507	\$ 1,126,965
# 2	4	June, 2015	3.25%	40,596	184,693
# 3	1	June, 2016	3.49%	30,284	136,925

The District has entered into one lease contract for the purchase of student computers. This lease has been capitalized in the capital assets accounts.

<u>Lease</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Quarterly Payments</u>	<u>Asset Cost</u>
# 1	April, 2014	4.50%	39,418	445,123

These liabilities have been liquidated through the debt service fund and the District has established property tax levies for the retirement of these bonds.

Future annual debt service requirements on the lease purchase obligations and general obligation bonds as of June 30, 2013 are as follows:

Lease Purchase Obligations

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 218,731	\$ 9,822	\$ 228,553
2015	67,588	3,291	70,879
2016	29,262	1,024	30,286
Total	<u>\$ 315,581</u>	<u>\$ 14,137</u>	<u>\$ 329,718</u>

Interest Expense

Total interest paid during the year was \$27,983 with \$27,983 charged to expense and \$-0- unpaid at June 30, 2013.

Interest expense has been charged to:

Instruction	\$ 11,047
Transportation	16,936
	<u>\$ 27,983</u>

Changes

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

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2013</u>
Lease purchase obligations	<u>\$ 761,657</u>	<u>\$ _____</u>	<u>\$ 446,076</u>	<u>\$ 315,581</u>

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

NOTE 5. FUND BALANCE RESTRICTIONS AND COMMITMENTS

A summary of fund balance restrictions and commitments not previously mentioned are as follows:

Non Major Funds

Non major fund balances are restricted as follows:

Fund	Restricted Amount
BOCES Fund	\$ 5,413
Recreation Fund	100,301
Construction Fund	8,503
	\$ 114,217

NOTE 6. RISK MANAGEMENT

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

NOTE 7. PENSION PLAN

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

Plan members are required to contribute 7.00% of their annual covered salary and the District is required to contribute 7.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employee's contribution in addition to the matching contribution. For administrators and contract employees, the District pays 100% of the required employee contribution. All other employees are required to pay 50% of the employee's share themselves if they have three or less years of consecutive service with the District. With more than three years consecutive service, the District pays 100% of the contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The District's contributions to the System for the years ended June 30, 2013, 2012 and 2011 were \$1,086,808, \$1,134,406, and \$1,008,213, respectively, equal to the required contributions for each year.

WESTON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8. COMPENSATED ABSENCES

Vacation is not accruable by teachers (contract employees), paraprofessionals and lunchroom employees who do not work 12 months a year. Contracted employees are allowed to accumulate 10 days of sick leave per year up to a total of 100 days. For any days earned over the maximum 100, the employee will be paid \$20 per day at the end of the year. The accumulated liability for compensated absences at June 30, 2013 was \$100,438.

Non-contracted employees may accumulate up to a maximum of 100 days sick leave; there is no cash value for unused days.

NOTE 9. EARLY RETIREMENT AWARDS

In prior years, the District has awarded two former employees an early retirement benefit of \$25,000 each under the stipulation that the funds be used to pay for the former employees' health insurance. Each employee will be entitled to as much health insurance as the award will purchase. When the \$25,000 is exhausted, no further benefits will be provided and the District has no future funding obligations.

At June 30, 2013, the District was holding \$26,725 in funds for the future use of these former employees' health insurance costs.

NOTE 10. INTERFUND TRANSFERS

Operating Transfers In (Out) consist of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$	\$ 50,000
Enterprise Lunch Fund	50,000	
	<u>\$ 50,000</u>	<u>\$ 50,000</u>

This transfer is to subsidize operations of the Enterprise Lunch Fund.

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 45,133	\$
Debt Service Fund		45,133
	<u>\$ 45,133</u>	<u>\$ 45,133</u>

This transfer was to close debt service collections as the General Obligation Bonds were repaid.

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
RESOURCES (inflows):			
LOCAL SOURCES:			
Taxes -			
Special district taxes	\$ 3,200,000	\$ 3,287,563	\$ 87,563
Motor vehicle taxes	430,000	494,577	64,577
Car company tax	20,000	50,002	30,002
Penalties and interest	5,000	11,267	6,267
	<u>\$ 3,655,000</u>	<u>\$ 3,843,409</u>	<u>\$ 188,409</u>
Other -			
Tuition	\$ 12,000	\$ 14,857	\$ 2,857
Interest	10,000	4,992	(5,008)
Other	1,500	12,971	11,471
	<u>\$ 23,500</u>	<u>\$ 32,820</u>	<u>\$ 9,320</u>
Total local sources	<u>\$ 3,678,500</u>	<u>\$ 3,876,230</u>	<u>\$ 197,730</u>
COUNTY SOURCES:			
Taxes -			
County equalization tax	\$ 700,000	\$ 734,093	\$ 34,093
County motor vehicle tax	100,000	115,809	15,809
Car company tax	4,000	13,333	9,333
Delinquent county tax	3,000	2,858	(142)
Fines and forfeitures	90,000	391,861	301,861
Forest service		255	255
	<u>\$ 897,000</u>	<u>\$ 1,258,209</u>	<u>\$ 361,209</u>
Total county sources	<u>\$ 897,000</u>	<u>\$ 1,258,209</u>	<u>\$ 361,209</u>
STATE SOURCES:			
Foundation program	\$ 8,203,360	\$ 8,179,659	\$(23,701)
Taylor grazing	10,000	10,615	615
Cooperative services grant	25,000	25,000	
	<u>\$ 8,238,360</u>	<u>\$ 8,215,274</u>	<u>\$(23,086)</u>
Total state sources	<u>\$ 8,238,360</u>	<u>\$ 8,215,274</u>	<u>\$(23,086)</u>
OTHER SOURCES			
Sale of fixed assets	\$	\$ 252	\$ 252
Transfers from debt service fund	40,133	45,133	5,000
	<u>\$ 40,133</u>	<u>\$ 45,385</u>	<u>\$ 5,252</u>
Total other sources	<u>\$ 40,133</u>	<u>\$ 45,385</u>	<u>\$ 5,252</u>
Total resources (inflows)	<u>\$ 12,853,993</u>	<u>\$ 13,395,098</u>	<u>\$ 541,105</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:			
General instruction -			
Elementary -			
Salaries	\$ 1,548,479	\$ 1,556,394	\$ (7,915)
Employee benefits	513,092	517,605	(4,513)
Purchased services	4,750	3,192	1,558
Supplies	36,098	28,198	7,900
Capital outlay	2,000	3,024	(1,024)
Other objects	2,700	2,760	(60)
Total elementary	<u>\$ 2,107,119</u>	<u>\$ 2,111,173</u>	<u>\$ (4,054)</u>
Middle school -			
Salaries	\$ 603,476	\$ 604,219	\$ (743)
Employee benefits	205,475	208,861	(3,386)
Purchased services	8,515	5,624	2,891
Supplies	14,434	10,197	4,237
Capital outlay	1,741		1,741
Other objects	2,230	1,218	1,012
Total middle school	<u>\$ 835,871</u>	<u>\$ 830,119</u>	<u>\$ 5,752</u>
Secondary -			
Salaries	\$ 997,075	\$ 985,155	\$ 11,920
Employee benefits	366,039	360,194	5,845
Purchased services	7,100	5,897	1,203
Supplies	28,384	21,916	6,468
Capital outlay	5,375	378	4,997
Other objects	2,694	4,178	(1,484)
Total secondary	<u>\$ 1,406,667</u>	<u>\$ 1,377,718</u>	<u>\$ 28,949</u>
Vocational education -			
Purchased services	\$ 4,745	\$ 396	\$ 4,349
Supplies	14,837	15,028	(191)
Capital outlay	1,600		1,600
Other objects	985	840	145
Total vocational education	<u>\$ 22,167</u>	<u>\$ 16,264</u>	<u>\$ 5,903</u>
Activities -			
Salaries	\$ 285,568	\$ 285,509	\$ 59
Employee benefits	60,255	56,764	3,491
Purchased services	70,325	65,175	5,150
Supplies	37,923	38,704	(781)
Capital outlay	20,550	17,602	2,948
Other objects	16,700	15,281	1,419
Total activities	<u>\$ 491,321</u>	<u>\$ 479,035</u>	<u>\$ 12,286</u>
Total general instruction	<u>\$ 4,863,145</u>	<u>\$ 4,814,309</u>	<u>\$ 48,836</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Special instruction -			
Programs for students with disabilities -			
Salaries	\$ 1,164,871	\$ 1,088,977	\$ 75,894
Employee benefits	394,383	393,622	761
Purchased services	30,750	50,046	(19,296)
Supplies	15,475	8,142	7,333
Capital objects	1,000		1,000
Total programs for students with disabilities	<u>\$ 1,606,479</u>	<u>\$ 1,540,787</u>	<u>\$ 65,692</u>
Gifted and talented -			
Purchased services	\$ 2,048	\$ 1,178	\$ 870
Supplies	1,900	495	1,405
Other objects	412	56	356
Total gifted and talented	<u>\$ 4,360</u>	<u>\$ 1,729</u>	<u>\$ 2,631</u>
Tuition - students with disabilities			
Purchased services	\$ 600,000	\$ 464,791	\$ 135,209
Total tuition - students with disabilities	<u>\$ 600,000</u>	<u>\$ 464,791</u>	<u>\$ 135,209</u>
At-risk youth -			
Salaries	\$ 232,559	\$ 233,235	\$(676)
Employee benefits	86,613	88,837	(2,224)
Total at-risk youth	<u>\$ 319,172</u>	<u>\$ 322,072</u>	<u>\$(2,900)</u>
Limited English proficient -			
Salaries	\$ 12,228	\$ 15,478	\$(3,250)
Employee benefits	6,448	6,254	194
Total limited English proficient	<u>\$ 18,676</u>	<u>\$ 21,732</u>	<u>\$(3,056)</u>
Homebound programs -			
Salaries	\$ 1,000	\$ 1,131	\$(131)
Employee benefits	218	343	(125)
Purchased services	1,200		1,200
Total homebound programs	<u>\$ 2,418</u>	<u>\$ 1,474</u>	<u>\$ 944</u>
Total special instruction	<u>\$ 2,551,105</u>	<u>\$ 2,352,585</u>	<u>\$ 198,520</u>
Adult education -			
Salaries	\$ 76,095	\$ 49,244	\$ 26,851
Employee benefits	16,986	10,335	6,651
Purchased services	1,800	223	1,577
Supplies	1,950		1,950
Capital outlay	500		500
Other objects	100		100
Total adult education	<u>\$ 97,431</u>	<u>\$ 59,802</u>	<u>\$ 37,629</u>
Total instruction	<u>\$ 7,511,681</u>	<u>\$ 7,226,696</u>	<u>\$ 284,985</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Instructional support -			
Social guidance -			
Salaries	\$ 181,100	\$ 166,916	\$ 14,184
Employee benefits	61,087	54,660	6,427
Purchased services	905	789	116
Supplies	2,441	4,852	(2,411)
Capital outlay	1,250	785	465
Other objects	335	119	216
Total social guidance	<u>\$ 247,118</u>	<u>\$ 228,121</u>	<u>\$ 18,997</u>
Health programs -			
Salaries	\$ 43,066	\$ 43,066	\$
Employee benefits	10,847	10,451	396
Purchased services	400	665	(265)
Supplies	6,505	5,266	1,239
Capital outlay		558	(558)
Other objects	160	237	(77)
Total health programs	<u>\$ 60,978</u>	<u>\$ 60,243</u>	<u>\$ 735</u>
Behavioral disorders -			
Salaries	\$ 3,551	\$	\$ 3,551
Employee benefits	1,449		1,449
Total behavioral disorders	<u>\$ 5,000</u>	<u>\$</u>	<u>\$ 5,000</u>
Speech services -			
Salaries	\$ 21,139	\$ 21,403	\$(264)
Employee benefits	5,750	5,866	(116)
Purchased services	150,500	113,068	37,432
Supplies	638	435	203
Total speech services	<u>\$ 178,027</u>	<u>\$ 140,772</u>	<u>\$ 37,255</u>
Occupational/physical therapy -			
Purchased services	\$ 92,000	\$ 89,984	\$ 2,016
Supplies	638	239	399
Total occupational/physical therapy	<u>\$ 92,638</u>	<u>\$ 90,223</u>	<u>\$ 2,415</u>
Improvement of instruction service -			
Salaries	\$ 92,020	\$ 44,013	\$ 48,007
Employee benefits	24,429	14,043	10,386
Purchased services	15,000	15,213	(213)
Supplies	9,410	9,855	(445)
Capital outlay		1,256	(1,256)
Other objects	5,000	2,584	2,416
Total improvement of instruction service	<u>\$ 145,859</u>	<u>\$ 86,964</u>	<u>\$ 58,895</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Instructional support (continued) -			
Supervision of improvement of instruction service -			
Salaries	\$ 64,850	\$ 69,600	\$ (4,750)
Employee benefits	14,434	15,469	(1,035)
Supplies	1,000	3,272	(2,272)
Capital outlay		629	(629)
Other objects		160	(160)
Total supervision of improvement of instruction service	<u>\$ 80,284</u>	<u>\$ 89,130</u>	<u>\$ (8,846)</u>
District curriculum -			
Supplies	\$ 110,000	\$ 122,724	\$ (12,724)
Capital outlay	10,000		10,000
Total district curriculum	<u>\$ 120,000</u>	<u>\$ 122,724</u>	<u>\$ (2,724)</u>
Staff development -			
Salaries	\$ 21,125	\$ 18,264	\$ 2,861
Employee benefits	4,600	3,568	1,032
Purchased services	11,210	6,413	4,797
Supplies	2,197	4,156	(1,959)
Other objects	14,468	13,470	998
Total staff development	<u>\$ 53,600</u>	<u>\$ 45,871</u>	<u>\$ 7,729</u>
Instructional media -			
Salaries	\$ 104,274	\$ 104,485	\$ (211)
Employee benefits	34,130	33,967	163
Total instructional media	<u>\$ 138,404</u>	<u>\$ 138,452</u>	<u>\$ (48)</u>
School library services -			
Purchased services	\$ 4,400	\$ 3,490	\$ 910
Supplies	12,680	14,114	(1,434)
Capital outlay	1,977	1,024	953
Other objects	1,860	1,100	760
Total school library services	<u>\$ 20,917</u>	<u>\$ 19,728</u>	<u>\$ 1,189</u>
Special Ed Director -			
Salaries	\$ 91,000	\$ 91,000	\$
Employee benefits	28,012	27,473	539
Total special ed director	<u>\$ 119,012</u>	<u>\$ 118,473</u>	<u>\$ 539</u>
Total instructional support	<u>\$ 1,261,837</u>	<u>\$ 1,140,701</u>	<u>\$ 121,136</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Administrative and general support -			
Central administration -			
Salaries	\$ 157,143	\$ 156,208	\$ 935
Employee benefits	58,408	56,009	2,399
Purchased services	33,000	4,679	28,321
Supplies	13,000	5,951	7,049
Capital outlay	11,600	14,818	(3,218)
Other objects	7,500	3,251	4,249
Total central administration	<u>\$ 280,651</u>	<u>\$ 240,916</u>	<u>\$ 39,735</u>
School administration -			
Salaries	\$ 501,244	\$ 499,980	\$ 1,264
Employee benefits	220,908	219,823	1,085
Purchased services	33,805	19,563	14,242
Supplies	37,470	32,940	4,530
Capital outlay	9,702	9,311	391
Other objects	2,350	2,646	(296)
Total school administration	<u>\$ 805,479</u>	<u>\$ 784,263</u>	<u>\$ 21,216</u>
Business administration -			
Salaries	\$ 234,484	\$ 239,896	\$(5,412)
Employee benefits	132,355	110,644	21,711
Purchased services	242,275	233,516	8,759
Supplies	27,050	25,606	1,444
Capital outlay	5,600	1,850	3,750
Other objects	8,000	5,663	2,337
Total business administration	<u>\$ 649,764</u>	<u>\$ 617,175</u>	<u>\$ 32,589</u>
Board expenses -			
Purchased services	\$ 98,838	\$ 71,079	\$ 27,759
Supplies	10,000	6,800	3,200
Capital outlay	5,000		5,000
Other objects	15,000	10,605	4,395
Total board expenses	<u>\$ 128,838</u>	<u>\$ 88,484</u>	<u>\$ 40,354</u>
Supervision operation maintenance of plant services -			
Salaries	\$ 60,000	\$ 60,000	\$
Employee benefits	27,721	28,254	(533)
Total supervision operation of plant services	<u>\$ 87,721</u>	<u>\$ 88,254</u>	<u>\$(533)</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Administrative and general support (continued) -			
Building services -			
Salaries	\$ 513,476	\$ 495,803	\$ 17,673
Employee benefits	168,113	164,100	4,013
Purchased services	21,470	25,383	(3,913)
Supplies	537,246	424,088	113,158
Capital outlay	16,300	7,853	8,447
Other objects	850	409	441
Total building services	<u>\$ 1,257,455</u>	<u>\$ 1,117,636</u>	<u>\$ 139,819</u>
Care and upkeep of grounds -			
Salaries	\$ 49,970	\$ 47,870	\$ 2,100
Employee benefits	11,982	12,117	(135)
Purchased services	4,450	2,432	2,018
Supplies	8,100	11,513	(3,413)
Capital outlay	16,000	14,334	1,666
Total care and upkeep of grounds	<u>\$ 90,502</u>	<u>\$ 88,266</u>	<u>\$ 2,236</u>
Vehicle operating maintenance services -			
Purchased services	\$ 1,655	\$	\$ 1,655
Supplies	2,000	5,498	(3,498)
Total vehicle operating maintenance services	<u>\$ 3,655</u>	<u>\$ 5,498</u>	<u>\$ (1,843)</u>
Transportation -			
Salaries	\$ 381,000	\$ 365,142	\$ 15,858
Employee benefits	120,298	111,263	9,035
Purchased services	113,379	71,340	42,039
Supplies	237,675	199,481	38,194
Capital outlay	324,886	336,597	(11,711)
Other objects	5,500	4,081	1,419
Total transportation	<u>\$ 1,182,738</u>	<u>\$ 1,087,904</u>	<u>\$ 94,834</u>
Technology services -			
Salaries	\$ 113,424	\$ 115,153	\$ (1,729)
Employee benefits	42,190	43,243	(1,053)
Purchased services	97,672	79,658	18,014
Supplies	38,048	9,144	28,904
Capital outlay	280,023	256,208	23,815
Other objects	2,000	1,450	550
Total technology services	<u>\$ 573,357</u>	<u>\$ 504,856</u>	<u>\$ 68,501</u>
Total administrative and general support	<u>\$ 5,060,160</u>	<u>\$ 4,623,252</u>	<u>\$ 436,908</u>

(Continued)

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
Community support -			
Recreation -			
Purchased services	\$ 3,640	\$ 1,386	\$ 2,254
Supplies	51,390	35,152	16,238
Capital outlay	1,270		1,270
Other	250	698	(448)
Total recreation	<u>\$ 56,550</u>	<u>\$ 37,236</u>	<u>\$ 19,314</u>
Total community support	<u>\$ 56,550</u>	<u>\$ 37,236</u>	<u>\$ 19,314</u>
Total expenditures	<u>\$ 13,890,228</u>	<u>\$ 13,027,885</u>	<u>\$ 862,343</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$(1,036,255)	\$ 367,213	\$
OTHER FINANCING SOURCES (USES):			
Transfer - Special revenue fund		(14,000)	(14,000)
Transfer - Enterprise fund	(100,000)	(50,000)	50,000
Cash reserve	(148,072)		(148,072)
	<u>\$(248,072)</u>	<u>\$(64,000)</u>	<u>\$(112,072)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$(1,284,307)	\$ 303,213	
FUND BALANCE - Beginning	<u>1,375,020</u>	<u>1,375,020</u>	
FUND BALANCE - Ending	<u>\$ 90,713</u>	<u>\$ 1,678,233</u>	

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

OTHER MAJOR FUNDS
 BUDGET AND ACTUAL (NON-GAAP BASIS)
 FOR THE YEAR ENDED JUNE 30, 2013

	Major Maintenance		
	Original/ Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 500	\$ 64,341	\$ 64,341
State sources	627,511	627,511	
Total revenues	<u>\$ 628,011</u>	<u>\$ 691,852</u>	<u>\$ 63,841</u>
EXPENDITURES			
General support			
Capital outlay	\$ 727,088	\$ 397,649	\$ 329,439
Total expenditures	<u>\$ 727,088</u>	<u>\$ 397,649</u>	<u>\$ 329,439</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$(99,077)</u>	<u>\$ 294,203</u>	
FUND BALANCE - Beginning	<u>99,077</u>	<u>99,077</u>	
FUND BALANCE - Ending	<u>\$ _____</u>	<u>\$ 393,280</u>	

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1. The financial statement Statement of Revenues, Expenditures and Changes in Fund Balance on page 7 of this report is prepared on the generally accepted accounting principles (GAAP) basis. The required supplementary information - Budgetary Comparison - General Fund contained on pages 24 through 31 and Major Maintenance Fund contained on page 32 of this report is prepared on the legally enacted basis (cash basis). This results in differences when revenue and expenses are recognized for accounting purposes. Under the GAAP basis, revenues are recognized when measurable and available while the cash basis recognizes revenues when received. For expenditures, the GAAP basis recognizes them when incurred while the cash basis recognizes expenditures when paid.

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

General Fund

Resources/inflows budgetary basis	\$ 13,395,098
Differences - budget to GAAP	
Property taxes receivable at June 30, 2012 received in the year ending June 30, 2013 included in 2013 budget data	(100,665)
Property taxes receivable at June 30, 2013 for GAAP purposes revenues not included in 2013 budget data	<u>46,987</u>
Total revenues GAAP basis	<u>\$ 13,341,420</u>

Comprised of:

Total revenues	\$ 13,296,287
Other financing sources (uses)	<u>45,133</u>
	<u>\$ 13,341,420</u>

Total outflows budgetary basis	\$ 13,027,885
Difference - budget to GAAP	
Accrued expenses at June 30, 2012 included as an outflow in the budgetary information but not included as an expenditure in the GAAP	(114,449)
Accrued expenses at June 30, 2013 not included as an outflow in the budgetary information but included as an expenditure in the GAAP information	<u>60,177</u>

Total expenditures GAAP Basis	<u>\$ 12,973,613</u>
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Major Maintenance Fund

Total outflows budgetary basis	\$ 397,649
Difference - budget to GAAP	
Accrued expenses at June 30, 2013 not included as an outflow in the budgetary information but included as an expenditure in the GAAP information	<u>159,561</u>

Total expenditures GAAP Basis	<u>\$ 557,210</u>
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WESTON COUNTY SCHOOL DISTRICT NO. ONE

COMBINED BALANCE SHEET
GOVERNMENT FUNDS - NON MAJOR FUNDS
JUNE 30, 2013

	Federal Grant	State Grant	BOCES	Construction	Debt Service	Recreation	Total
ASSETS:							
Cash	\$ 23,745	\$ 5,547	\$ 4,689	\$ 2,503	\$	\$ 104,547	\$ 141,031
Property taxes receivable			724			1,448	2,172
Grant receivable		8,453		19,744			28,197
Other accounts receivable				6,000			6,000
Total assets	<u>\$ 23,745</u>	<u>\$ 14,000</u>	<u>\$ 5,413</u>	<u>\$ 28,247</u>	<u>\$</u>	<u>\$ 105,995</u>	<u>\$ 177,400</u>
LIABILITIES:							
Accounts payable	\$	\$	\$	\$ 19,744	\$	\$ 5,663	\$ 25,407
Due to other funds	5,844	14,000					19,844
Deferred revenue	17,901					31	17,932
Total liabilities	<u>\$ 23,745</u>	<u>\$ 14,000</u>	<u>\$</u>	<u>\$ 19,744</u>	<u>\$</u>	<u>\$ 5,694</u>	<u>\$ 63,183</u>
FUND BALANCES:							
Restricted	\$	\$	\$ 5,413	\$ 8,503	\$	\$ 100,301	\$ 114,217
Total fund balances	<u>\$</u>	<u>\$</u>	<u>\$ 5,413</u>	<u>\$ 8,503</u>	<u>\$</u>	<u>\$ 100,301</u>	<u>\$ 114,217</u>
Total liabilities and fund balances	<u>\$ 23,745</u>	<u>\$ 14,000</u>	<u>\$ 5,413</u>	<u>\$ 28,247</u>	<u>\$</u>	<u>\$ 105,995</u>	<u>\$ 177,400</u>

WESTON COUNTY SCHOOL DISTRICT NO. ONE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENT FUNDS - NON MAJOR FUNDS
 JUNE 30, 2013

	Federal Grant	State Grant	BOCES	Construction	Debt Service	Recreation	Total
REVENUES:							
Local sources	\$		\$ 76,144	\$ 16	\$ 4,995	\$ 157,915	\$ 239,070
State sources		283,535		31,527			315,062
Federal sources	785,333						785,333
Total revenues	<u>\$ 785,333</u>	<u>\$ 283,535</u>	<u>\$ 76,144</u>	<u>\$ 31,543</u>	<u>\$ 4,995</u>	<u>\$ 157,915</u>	<u>\$ 1,339,465</u>
EXPENDITURES:							
Current -							
Instructional support	\$ 581,331	\$ 105,371	\$	\$	\$	\$	\$ 686,702
General support	204,002	178,164	67,285	52,791		144,332	449,451
Community support							52,791
Other -							144,332
Transfer to other							45,133
Total expenditures	<u>\$ 785,333</u>	<u>\$ 283,535</u>	<u>\$ 67,285</u>	<u>\$ 52,791</u>	<u>\$ 45,133</u>	<u>\$ 144,332</u>	<u>\$ 1,378,409</u>
REVENUES OVER (UNDER) EXPENDITURES	\$	\$	\$ 8,859	\$(21,248)	\$(40,138)	\$ 13,583	\$(38,944)
FUND BALANCES AT JUNE 30, 2012			(3,446)	29,751	40,138	86,718	153,161
FUND BALANCES AT JUNE 30, 2013	<u>\$</u>	<u>\$</u>	<u>\$ 5,413</u>	<u>\$ 8,503</u>	<u>\$</u>	<u>\$ 100,301</u>	<u>\$ 114,217</u>

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

<u>Federal Grant/Pass-Through Grantor</u>	<u>Federal CFDA Number</u>		<u>Federal Expenditures</u>
U.S. Department of Agriculture: Passed through Wyoming State Department of Education - National School Lunch Food Service Reimbursement	10.555	Cash Commodity	\$ 132,424 <u>19,792</u> \$ 152,216
U.S. Department of Education: Passed through Wyoming State Department of Education -			
Title 1 - Grants to Local Education Agencies Cluster	84.010		\$ 187,603
Special Education - Grants to States (IDEA Part B)	84.027 84.173		\$ 218,691 <u>3,000</u> 221,691
Perkins - Career and Technical Education	84.048		14,801
Title 2 - Improving Teacher Quality State Grants	84.367		121,926
21st CCLC - Twenty-first Century Community Learning Center	84.287		<u>239,312</u> <u>\$ 785,333</u>
Total Expenditures of Federal Awards			<u>\$ 937,549</u>

WESTON COUNTY SCHOOL DISTRICT NO. ONE

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

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. NATIONAL SCHOOL LUNCH PROGRAM (10.555)

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

NOTE 3. CONTINGENCIES

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

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Weston County School District No. One
Newcastle, Wyoming

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Weston County School District No. One as of and for the year ended June 30, 2013, which collectively comprise Weston County School District No. One's basic financial statements and have issued our report thereon dated November 13, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Weston County School District No. One's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Weston County School District No. One's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Weston County School District No. One's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (13-1)

Compliance and Other Matters

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

Purpose of this Report

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

Leo Riley & Co.

November 13, 2013

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

Board of Trustees
Weston County School District No. One
Newcastle, Wyoming

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

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

Report on Internal Control Over Compliance

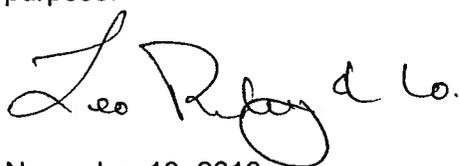
Management of Weston County School District No. One is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Weston County School District No.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

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

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

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

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



November 13, 2013

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

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Weston County School District No. One.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs. This condition is not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Weston County School District No. One were disclosed during the audit.
4. One significant deficiency disclosed during the audit of the major federal award programs is reported in the Schedule of Findings and Questioned Costs. This condition is not reported as a material weakness.
5. The auditors' report on compliance for the major federal award programs for Weston County School District No. One expresses an unqualified opinion on all major federal programs.
6. Audit findings relative to the major federal award programs for Weston County School District No. One are reported in this Schedule.
7. The programs tested as major programs were U.S. Department of Education, 21st Century Community Learning Centers (CFDA 84.287) and U.S. Department of Agriculture - National School Lunch Programs (CFDA 10.555).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Weston County School District No. One was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

13-1 Separation of Duties

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

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

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

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

FINDINGS - FINANCIAL STATEMENTS AUDIT (Continued)

SIGNIFICANT DEFICIENCIES (Continued)

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

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

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

FINDINGS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT

DEPARTMENT OF EDUCATION (CFDA 84.287) Passed through Wyoming Department of Education

DEPARTMENT OF AGRICULTURE (CFDA 10.555) Passed through Wyoming Department of Education

13-2 Separation of Duties

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

WESTON COUNTY SCHOOL DISTRICT NO. ONE

STATUS OF PRIOR YEAR FINDINGS

12-1 and 12-2

Separation of Duties

Ongoing comment and condition reflected as Finding 13-1 and 13-2 in current year.