



December 15, 2017

To the Honorable Board of Trustees  
Carbon County School District #1  
Rawlins, Wyoming

We have audited the financial statements of Carbon County School District #1 as of and for the year ended June 30, 2017, and have issued our report thereon dated December 15, 2017. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated June 12, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of Carbon County School District #1 solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses over financial reporting and material noncompliance noted during our audit in a separate letter to you dated December 15, 2017.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

To eliminate threats to independence associated with the non-attest services performed by us (the preparation of the financial statements and related notes to the financial statements), the Carbon County School District #1, has confirmed they have assumed all management responsibilities. Margaret Cox has been designated as the individual to oversee the non-attest services, evaluate the adequacy of the non-attest services, and accept responsibility for the results of the non-attest services. We have determined she possesses the skills, knowledge, and experience necessary for these tasks.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Carbon County School District #1 is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are as follows:

<b>Estimate</b>	<b>Basis of Estimate</b>
Depreciable lives and estimated residual value of capital assets	Management's best judgements
Collectability of property taxes and unbilled levy	Management's best judgment and confirmation of unbilled levy with the county treasurer.
Unfunded pension liability and related pension items	Actuarial calculations provided by the Wyoming Retirement System's actuaries

We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Carbon County School District #1's financial statements relate to the District's significant accounting policies and disclosures relating to commitments and contingencies, revenue recognition, and pension plan items.

### **Identified or Suspected Fraud**

We have not identified or obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The most significant adjustments arose from converting the District's budgetary basis of accounting to modified accrual and accrual basis of accounting and were as follows:

- Record property taxes receivable and related deferred inflows of resources
- Record accounts payable and accrued wages and benefits
- Record current year depreciation
- Record the acquisition and disposition of capital assets
- Record grants receivable
- Record debt transactions
- Record receivable and retainage payable for construction projects
- Record liability for compensated absences
- Record net pension liability and related deferred outflow and inflow of resources

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Carbon County School District #1's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in a letter dated December 15, 2017.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with Carbon County School District #1, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Carbon County School District #1's auditors.

The District will need to have a procurement policy that is compliant with audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as applicable, in place and operational by July 1, 2018.

## **Noncompliance with Grant Agreements**

We have identified the following matters involving noncompliance with grant agreements that came to our attention during the course of the audit. Carbon County School District #1 did not comply with requirements for eligibility in the Title I Grants to Local Educational Agencies grant award as required under Uniform Guidance.

## **Modification of the Auditor's Report**

We have made the following modification to our auditor's report. The report on compliance for the major federal program and on internal control over compliance contains a qualified opinion on Title I Grants to Local Educational Agencies pertaining to eligibility.

This report is intended solely for the information and use of the Board of Trustees, and management of Carbon County School District #1 and is not intended to be and should not be used by anyone other than these specified parties.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants



# CARBON COUNTY SCHOOL DISTRICT #1

FINANCIAL AND COMPLIANCE REPORT

June 30, 2017

**CARBON COUNTY SCHOOL DISTRICT #1**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2017**

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### Corrective Action Plan

# Carbon County School District One

**INSPIRING EXCELLENCE –EVERY CHILD, EVERYDAY**

**615 Rodeo St.  
Rawlins, WY 82301**



**(307) 328-9200  
(307) 328-9258 Fax  
[www.crb1.net](http://www.crb1.net)**

December 15, 2017

To the Board Trustees, and Administrators and Community  
Carbon County School District No. 1  
Rawlins, Wyoming

Wyoming Uniform Municipal Fiscal Procedures Act requires annual audits of school districts. The act states in W.S. 16-4-121 that “school audits shall be completed by November 15 following the end of the fiscal year.” The act also states in W.S. 16-4-122 that “audits shall be filed with the state Department of Education on or before December 15 following the end of the audited fiscal year.” Pursuant to this requirement, the Annual Financial Report of Carbon County School District No. 1 (the District) for the fiscal year ended June 30, 2017 is hereby submitted.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, the District’s management has established a comprehensive internal control framework that is designed both to protect the government’s assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with accounting principles generally accepted in the United State of America (GAAP). Because the cost of internal controls should not exceed the anticipated benefits, the District’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Porter, Muirhead, Cornia & Howard, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the District’s financial statements for the year ended June 30, 2017. The independent auditor’s report is located at the front of the financial section of this report. The independent audit of the District’s financial statements was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Grant Compliance Section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors, beginning on page 4.

## **DISTRICT PROFILE**

Carbon County School District No. 1 was formed January 1, 1875. The District boundary includes a major part of Carbon County and a small area of Sweetwater County. Today the District is responsible for educating approximately 1845 children in four different communities Rawlins, Baggs, Sinclair and Bairoil. School configuration is different in each community. Rawlins has one K-1 elementary school, one 2-5 elementary school, one 6-8 middle school, one 9-12 alternative high school and one 9-12 high school. Baggs has one K-12 school facility.

The District is responsible for providing an education to children living within its boundaries. The District provides educational services to 74% of the children in Carbon County. The District is responsible for building, operating, and maintaining school facilities; developing and maintaining approved education programs and courses of study, including academic and vocational programs, bilingual programs and programs for special needs children and providing transportation and nutrition services to students in accordance with District, state and federal requirements.

## **ECONOMIC CONDITION**

Wyoming is the tenth largest state in the U.S. with 97,813 square miles. This provides Wyoming with an abundance of natural resources. In 2015 Wyoming was the nation's leading producer of coal and ranks highest in mining employment. Natural gas production was fifth in the nation and crude oil was eighth in the nation. Wyoming also possesses the largest known reserve of trona in the world and is number one in production in the nation. With Wyoming's abundant source of wind, power generation from wind turbines is also becoming a huge industry. The royalties from all the minerals and energy production has produced a dedicated funding source for schools. With our small statewide population of 586,107 and 94,002 students (2015-2016), the assessment and royalties from minerals and energy production provide an excellent funding source for schools and keeps the property tax on homes, agriculture, commercial and industrial land at a very affordable rate for citizens of Wyoming.

Carbon County has 7,964 square miles, this is approximately eight percent of Wyoming. Agriculture and the Energy Industry continue to be major industries in Carbon County. There are more than 200 operating wind turbines with over 140 megawatts of capacity. There are substantial new wind turbine generation facilities proposed and in permitting in Carbon County. The Chokecherry and Sierra Madre Wind Energy Project is one of the world's largest proposed wind power plants with up to 1,000 turbines to be located south of Rawlins. Both projects are currently in beginning stages of infrastructure construction. Many large gas and oil companies have operations in Carbon County.

Major employers in Carbon County are: Sinclair Oil Refinery, Wyoming State Penitentiary, Memorial Hospital of Carbon County, Carbon County School District #1, Walmart, British Petroleum, Amoco, Williams Fuel, Union Pacific Railroad, Bureau of Land Management and County and City government.

Since 2000 Carbon County has had a stable population with very modest increases and decreases in population that are trending upward. The School District had a peak enrollment in the 1980's and 90's with the population fluxing up and down with the economy.

## **STATE SCHOOL FUNDING**

The Wyoming Constitution declared that public education is a fundamental right. The Wyoming Supreme Court decisions have upheld and defined this requirement in several court cases most recent notable ones are Campbell 1 – (1995), Campbell 2 – (February 2001), Campbell 3 – (October 2001) and Campbell 4 – (2008). The Wyoming School Foundation Program provides a guaranteed level of funding to every Wyoming public school district. This “Guarantee” is essentially a block grant and is based on a number of factors - the most important of which is the number of students enrolled in the district in the prior year.

Other components having a significant impact on a district's guarantee include special education and pupil transportation costs incurred in the prior year and the number, size and location of certain statutorily defined “small schools” operated by the district. Very small school districts meeting certain enrollment criteria may qualify for additional funding.

Once a district's guarantee is established, that funding level is compared to the district's available local revenue sources. If a district's local revenues turn out to be less than its guarantee, the state of Wyoming makes up the difference through a series of entitlement payments distributed to the district throughout the school year.

A few school districts, on the other hand, have access to local revenues in excess of their guarantees. These districts must rebate the excess to the state of Wyoming – a process known as recapture. All recaptured monies flow into a Foundation Program fund and are eventually redistributed to those districts receiving entitlement payments from the state.

## **LONG-TERM FINANCIAL PLANNING**

The District has a very conservative approach to budgeting and for the last several years has maintained an ending fund balance that is at the maximum limit allowable by Wyoming law and also maintains a fund balance that was saved before the current funding model (1997) was developed.

## **COMPONENT UNITS**

The Board of Cooperative Higher Education Services (BOCHES) operating as The Carbon County Higher Education Center (CCHC) and the Carbon County School District #1 Recreation Board are component units of the District with their financial information combined into the District's audit. Members of the Board of Trustees also sit as members of the component units' Board.

CCHC serves the higher education needs of our community and provides high quality training programs through the cooperative efforts of the District, community, industry and local government. CCHC provides community education courses, vocational and industry training and college credit courses.

The Recreation Board receives a one mill levy on the assessed value in the District and provides grants to agencies and groups within the District to enhance the recreational opportunities of our citizens and assist in the operational needs of recreational facilities in the District.

## **MAJOR INITIATIVES**

The new Rawlins High School which was previously approved for funding by the School Facilities Department along with the enhancements approved by the voters of the District was completed in the Winter of 2016 and is being used by students and staff. The new Bus Garage is completed and serving the District. The new Aquatics Center has been completed and is serving both the District and the Rawlins community.

## **ACKNOWLEDGEMENTS**

Many individuals throughout the District provided information needed for the preparation of this report. We wish to express our appreciation to the entire Finance Department in particular for their efforts and contributions to our Annual Financial Report.

Furthermore, we would like to acknowledge the efforts of all District personnel who conscientiously follow internal controls; and during the Annual Financial Report preparation, provide additional information that makes the report more meaningful.

We also thank the members of the School Board of Trustees for their continued support and dedication to the educational and financial operations of the District.

Respectfully submitted,

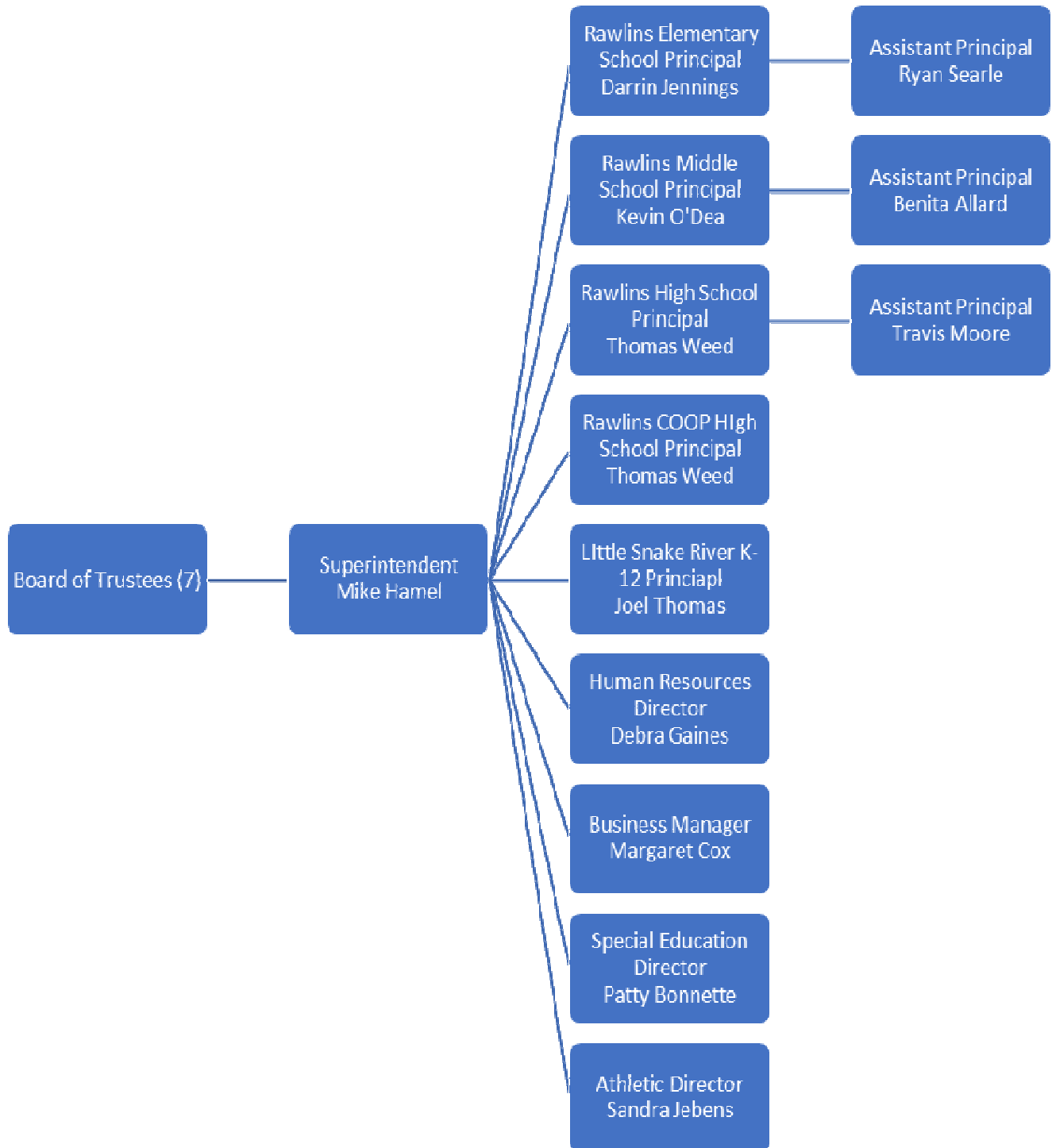


Mike Hamel  
Superintendent

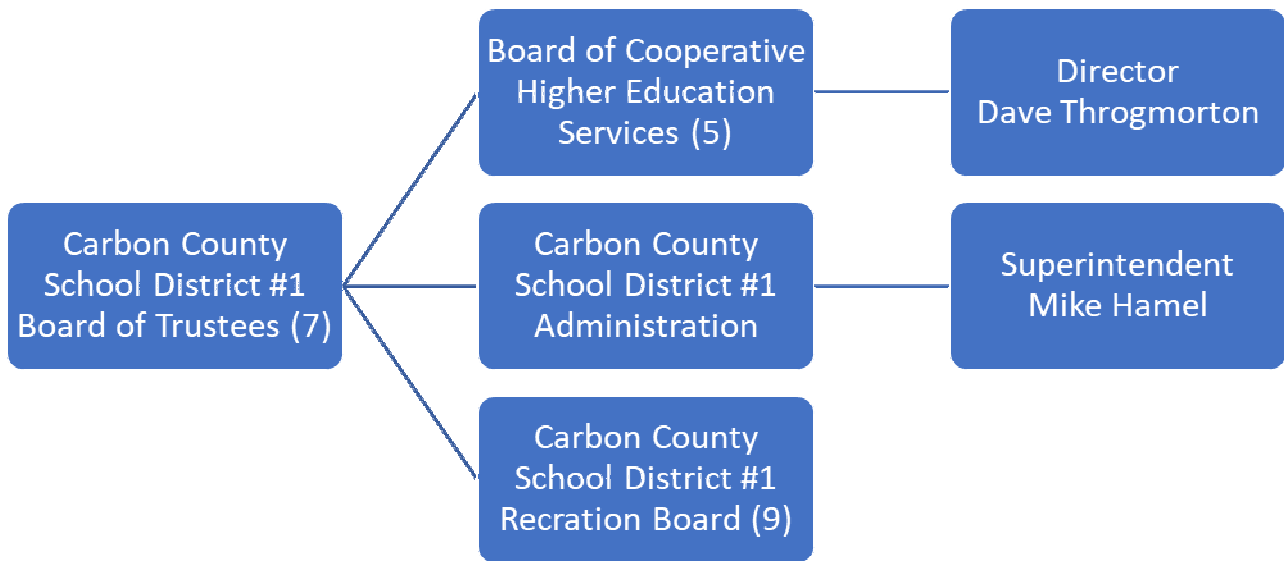


Margaret Cox  
Business Manager

**CARBON COUNTY SCHOOL DISTRICT # 1  
ADMINISTRATIVE ORGANIZATIONAL CHART 2017**



**CARBON COUNTY SCHOOL DISTRICT #1 AND COMPONENT UNITS  
ORGANIZATIONAL CHART 2017**



**CARBON COUNTY SCHOOL DISTRICT #1  
CARBON COUNTY, WYOMING**

Administrative Office

615 Rodeo  
Rawlins, WY 82301

Mike Hamel  
Margaret Cox  
Margaret Quintrall

Superintendent  
Business Manager  
Asst. Business Manager

**BOARD OF TRUSTEES AS OF JUNE 30, 2017**

Term Expires

Mr. Michael Mann, Chair  
2420 Inverness  
Rawlins, WY 82301

December 2018

Mr. Gilbert Archuleta, Vice Chair  
194 LaPaloma  
Rawlins, WY 82301

December 2018

Ms. Denise Pfeffer, Treasurer  
721 Scarlet Drive  
Rawlins, WY 82301

December 2020

Mr. Trent Arnell  
P.O. Box 83  
Baggs, WY 82321

December 2020

Mr. Jeffrey Mendoza  
1215 Lambda Drive  
Rawlins, WY 82301

December 2020

Ms. Holley Nicholson, Clerk  
1307 Perrine Street  
Rawlins, WY 82301

December 2018

Mr. R. Matt Feldman  
P.O. Box 74  
Dixon, WY 82323

December 2020

Legal Counsel  
The Kuker Group, LLP  
508 East 18th Street  
Cheyenne, WY 82001

Bond Counsel  
Freudenthal & Bonds, P.C.  
129 E Carlson St.  
P.O. Box 387  
Cheyenne, WY 82003



**BOARD OF COOPERATIVE HIGHER EDUCATION SERVICES  
MAIN CAMPUS RAWLINS, WY**

Administrative Office

812 E. Murray St.  
Rawlins, WY 82301

David Throgmorton  
Shelly Collier

Director  
Accounting Specialist

**BOARD OF COOPERATIVE HIGHER EDUCATION SERVICES**

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Carbon County School District #1

Mr. Trent Arnell, Treasurer  
Rawlins, WY

Carbon County School District #1

Mr. Mike Mann, Clerk  
Rawlins, WY

Carbon County School District #1

Mr. George Eckman  
Green River, WY

Western Wyoming Community College

**CARBON COUNTY SCHOOL DISTRICT #1 RECREATION BOARD  
CARBON COUNTY, WYOMING**

Mailing Address

P.O. Box 1804  
Rawlins, WY 82301

**Board of Directors June 2017**

Mr. Mike Mann Rawlins, WY	School Board Appointed
Ms. Holley Nicholson Rawlins, WY	School Board Appointed
Mr. Jeff Mendoza Rawlins, WY	School Board Appointed
	<u>Term Expires</u>
Mr. Don Brinkman Rawlins, WY	January 2021
Ms. Jodi Maynard, Vice Chair Baggs, WY	January 2021
Ms. Patricia Hays Rawlins, WY	January 2018
Ms. Janell Thayer-Steele Rawlins, WY	January 2018
Ms. Charlene Abbott, Chair Rawlins, WY	January 2018
Ms. Hannah Owens Baggs, WY	January 2021

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Superintendent and Members  
of the Board of Trustees  
Carbon County School District #1  
Rawlins, Wyoming

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of June 30, 2017, 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***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carbon County School District #1's basic financial statements. The budgetary comparison information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurances on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017 on our consideration of Carbon County School District #1'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 Carbon County School District #1's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming  
December 15, 2017

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# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

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As management of Carbon County School District #1 ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements, and various supplementary information which follow this section.

### ***Financial Highlights***

The District's total combined net position was \$92,742,617 at June 30, 2017 which compares to \$78,308,516, at the beginning of the fiscal year, an increase of 18 percent.

During the year, the District's total governmental activities expenses were \$14,287,853 less than the \$51,350,120 generated in taxes and other revenues for governmental activities.

The District had \$36,462,267 in expenses related to governmental activities; of which \$21,544,437 of these expenses were offset by program specific charges for services or grants and contributions.

The District decreased its outstanding long-term debt by \$908,567, excluding the net pension liability. The outstanding long-term debt includes \$22,246,501 in bonds for construction that is payable over 15 years, \$383,189 in accrued compensated absences, \$224,503 in construction retainage payable and \$887,607 in lease purchase obligations. The District participates in the Public Employees' Pension Plan, a statewide cost-sharing multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System. The District recognized a net pension liability of \$21,241,221. All plan components, including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates and plan administration are overseen by the Wyoming Retirement System Board. The District has no control of the plan elements that affect the net position.

### ***Overview of the Financial Statements***

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***Government-wide financial statements.*** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, fluctuations from year to year need to be reviewed in light of the timing of funding.

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The increase in total liabilities occurred due to the adjustment of the net pension liability.



# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

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### ***Government-wide financial statements (Continued).***

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has two business-type activities: the enterprise fund - food service fund and the aquatic center fund.

***Fund financial statements.*** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related information about the District's most significant funds.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Such information may be useful in evaluating a government's near-term financing requirements. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds are reconciled in the financial statements. The general, major maintenance, capital construction, grants, and debt service funds are considered major funds and are reported as separate columns in the fund financial statements.

***Proprietary funds.*** Proprietary funds are used to account for services for which the District charges participants a fee. These funds, like the government-wide statements, provide both long-term and short-term financial information. The enterprise funds - food service and aquatic center are funds in this category for the District.

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District has three funds in this category, the scholarship fund (a private purpose trust fund), the student activities fund, and the construction retainage fund.

***Notes to the financial statements.*** The notes provide additional information that is essential for a complete understanding of the data provided in the government-wide and fund financial statements.

### ***Other information.***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements.

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

### *Financial Analysis of the District as a Whole*

The Statement of Net Position provides the perspective of the District as a whole. The following provides a summary of the District's net position at June 30, 2017:

#### Condensed Statements of Net Position

	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017
	Governmental Activities		Business-Type Activities		Total	
Current and other assets	\$ 45,893,420	\$ 32,766,767	\$ 142,493	\$ 326,558	\$ 46,035,913	\$ 33,093,325
Capital assets	94,823,231	117,950,402	333	-	94,823,564	117,950,402
Total assets	140,716,651	150,717,169	142,826	326,558	140,859,477	151,043,727
Deferred outflow of resources	6,539,384	5,420,586	151,166	128,343	6,690,550	5,548,929
Current liabilities	5,556,989	2,352,360	24,159	19,799	5,581,148	2,372,159
Noncurrent liabilities	24,647,298	23,734,992	3,069	-	24,650,367	23,734,992
Net pension liability	20,139,612	20,869,873	348,721	371,348	20,488,333	21,241,221
Total liabilities	50,343,899	46,957,225	375,949	391,147	50,719,848	47,348,372
Deferred inflows of resources	18,500,527	16,481,068	21,138	20,599	18,521,665	16,501,667
Net investment in capital assets	74,100,629	96,384,010	333	-	74,100,962	96,384,010
Restricted					-	
Wyoming Statute	5,152,144	4,208,743	-	-	5,152,144	4,208,743
Donors	23,393	33,460	-	-	23,393	33,460
Unrestricted	(864,557)	(7,926,751)	(103,428)	43,155	(967,985)	(7,883,596)
Total net position	\$ 78,411,609	\$ 92,699,462	\$ (103,095)	\$ 43,155	\$ 78,308,514	\$ 92,742,617

The net investment in capital assets is \$96,834,010, which is the net book value of capital assets (e.g., land, buildings, equipment) less any related debt used to acquire those assets that is still outstanding of \$21,566,392. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. Usually, an additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. Recording the net pension liability of \$21,241,221 results in a negative unrestricted net position of \$7,883,596. Without the pension liability there is a balance of unrestricted net position of \$13,357,625 that may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant operational resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

For governmental activities, the District's total net position increased by \$14,287,583 during the year ended June 30, 2017. The total cost of all governmental activities this year was \$36,462,267 and of the business-type activity was \$1,358,504. The amount that taxpayers paid for these activities through property taxes was \$29,486,096.

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

### Changes in Net Position

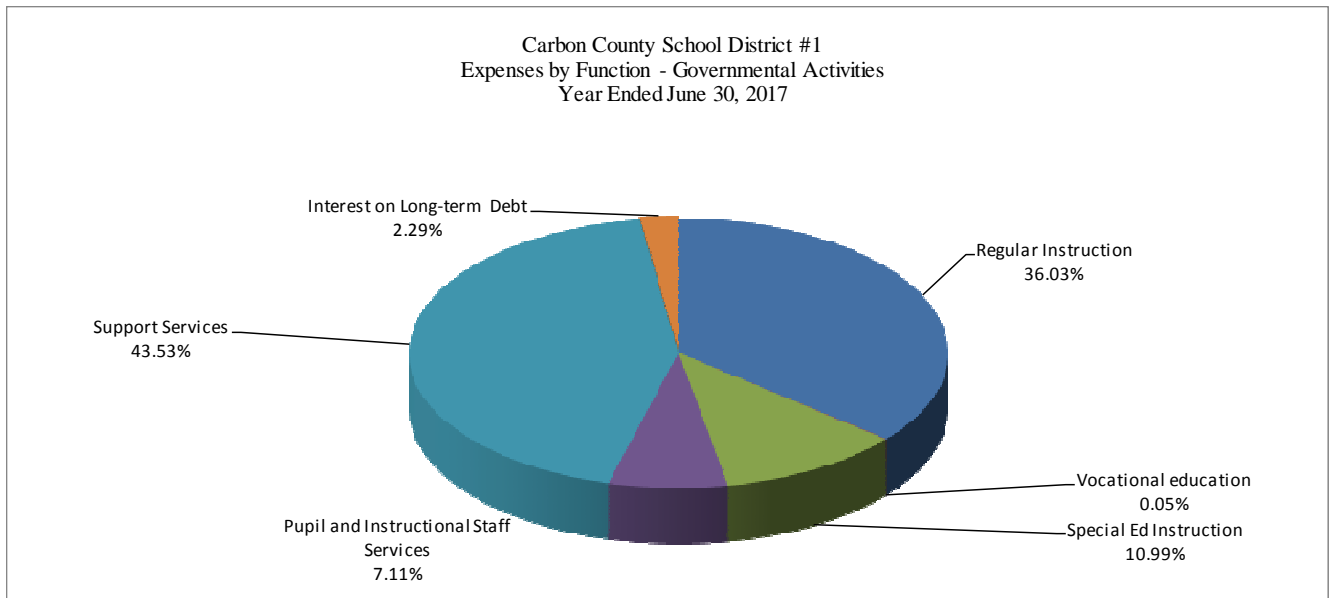
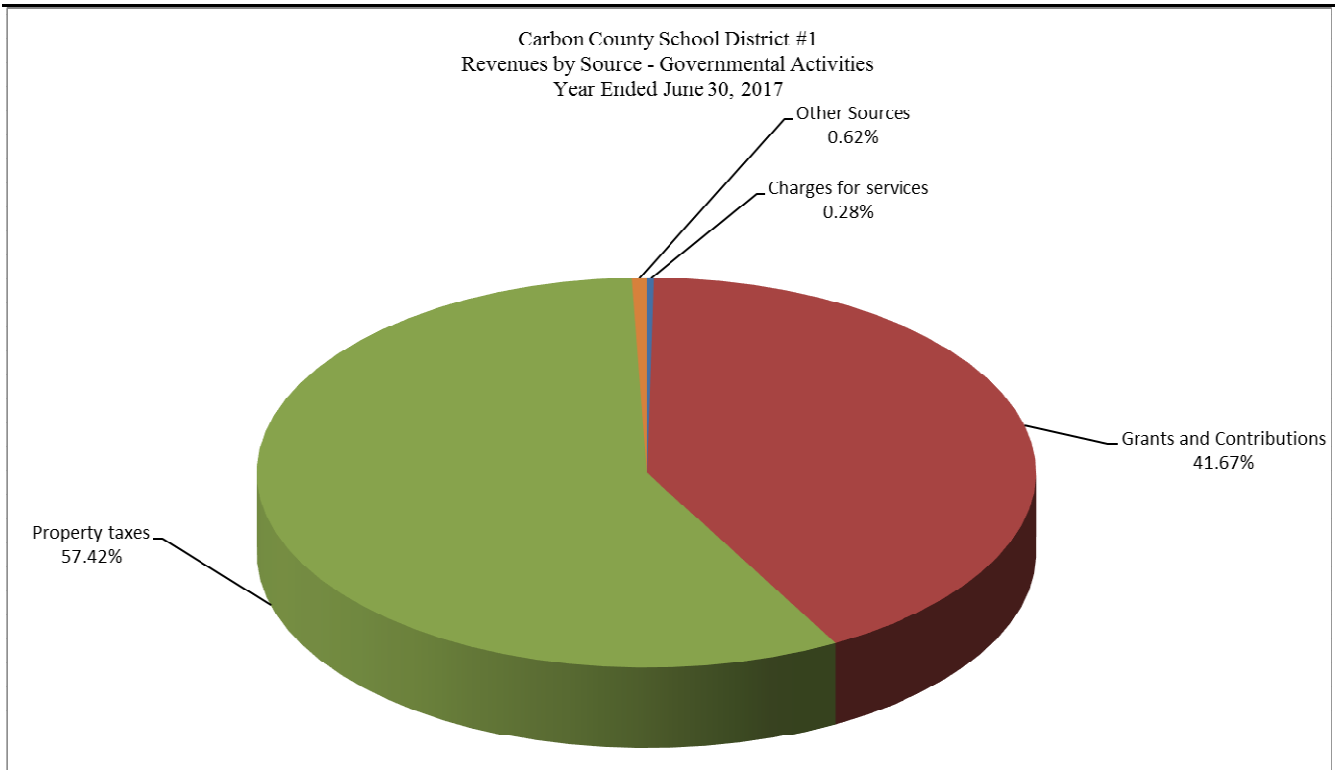
	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017
	Governmental-Type Activities		Business-Type Activities		Total	
Revenues						
Program revenues						
Charges for services	\$ 152,303	\$ 146,181	\$ 227,797	\$ 263,975	\$ 380,100	\$ 410,156
Operating grants and contributions	2,751,290	2,668,218	482,324	635,368	3,233,614	3,303,586
Capital grants	23,770,837	18,730,038	-	-	23,770,837	18,730,038
General revenues						
Taxes	31,193,908	29,486,096	-	-	31,193,908	29,486,096
Investments	53,315	45,046	235	190	53,550	45,236
Loss on disposal of capital assets	-	195,645	-	-	-	195,645
Recapture payment	(1,598,040)	-	-	-	(1,598,040)	-
Miscellaneous	65,140	78,896	2,120	5,221	67,260	84,117
Insurance recovery	110,698	-	-	-	110,698	-
Total revenues	56,499,451	51,350,120	712,476	904,754	57,211,927	52,254,874
Expenses						
Regular instruction	11,789,157	13,139,104	-	-	11,789,157	13,139,104
Special ed instruction	5,620,216	4,008,374	-	-	5,620,216	4,008,374
Vocational education	12,540	17,386	-	-	12,540	17,386
Pupil services	1,553,772	2,088,732	-	-	1,553,772	2,088,732
Instructional staff services	577,793	503,464	-	-	577,793	503,464
General admin services	1,008,660	1,043,841	-	-	1,008,660	1,043,841
School admin services	1,650,585	1,617,829	-	-	1,650,585	1,617,829
Business services	618,087	724,144	-	-	618,087	724,144
O&M of plant services	5,153,745	5,583,858	-	-	5,153,745	5,583,858
Pupil transportation	1,688,503	1,785,328	-	-	1,688,503	1,785,328
Central services	2,123,494	4,920,546	-	-	2,123,494	4,920,546
Other support services	111,496	195,120	-	-	111,496	195,120
Interest on long-term debt	884,775	834,541	-	-	884,775	834,541
Food service fund	-	-	922,527	975,621	922,527	975,621
Aquatic center fund	-	-	287,295	382,883	287,295	382,883
Total expenses	32,792,823	36,462,267	1,209,822	1,358,504	34,002,645	37,820,771
Excess (deficiency) of revenues over expenditures	23,706,628	14,887,853	(497,346)	(453,750)	23,209,282	14,434,103
Transfers	(350,000)	(600,000)	350,000	600,000	-	-
Change in net position	23,356,628	14,287,853	(147,346)	146,250	23,209,282	14,434,103
Beginning net position	55,054,981	78,411,609	44,251	(103,095)	55,099,232	78,308,514
Ending net position	\$ 78,411,609	\$ 92,699,462	\$ (103,095)	\$ 43,155	\$ 78,308,514	\$ 92,742,617

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)



# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

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### *Financial Analysis of the District's Funds*

#### **Governmental Funds**

##### ***Revenues***

General fund revenues, increased to \$28,017,771 in FY 2017 from \$25,920,303 in FY 2016 due to an increase in collections of taxes and intergovernmental revenues.

In comparison to the prior year, major maintenance revenues from the State of Wyoming increased by \$121,694. The major maintenance revenue depends on the State's allocation and varies from year to year.

##### ***Enterprise Funds: Food Service Fund and Aquatic Center Fund***

The total food service fund revenues for FY 2017 were \$612,298, an increase of \$45,834 from the prior year. The expenses incurred to provide this program increased by \$53,094 from the prior year. The food service fund had a net loss before transfers of \$363,323 in FY 2017, compared to a net loss before transfers of \$356,063 in 2016. The aquatic center fund cost of operation for FY 2017 had revenue of \$292,456 with expenses incurred to provide this program of \$382,883; this includes all aquatic personnel cost in FY 2017.

#### **Capital Asset and Debt Administration**

##### ***Capital Assets***

The District's investment in capital assets for its governmental activities as of June 30, 2017 is \$117,950,402 (net of accumulated depreciation). This investment in capital assets includes land, site improvements, buildings and equipment (which include vehicles and buses).

##### **District's Capital Assets Net of Depreciation (Governmental Activities)**

	2015-2016	2016-2017
Land	\$ 1,030,694	\$ 1,030,694
Construction in progress	43,481,282	60,862,439
Buildings and improvements	49,098,102	54,378,532
Vehicles	730,859	1,109,977
Furniture and equipment	482,294	568,760
Total	<u>\$ 94,823,231</u>	<u>\$ 117,950,402</u>

Additional information regarding the District's capital assets can be found in the Notes to Financial Statements page 36.

The new Rawlins High School which was previously approved for funding by the School Facilities Department along with the enhancements approved by the voters of the District was completed in the Winter of 2016 and is currently serving students. The High School opened to students in January 2017. The new CCHEC facility and After School Building that were approved by the voters are now finished and serving students.

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2017

(Unaudited)

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### ***Long-Term Debt***

The following is a summary of the District's debt transactions related to lease purchase obligations, Series 2012 bonds, retainage payable and accrued compensated absences, excluding the net pension liability, of the District for the year ended June 30, 2017:

Debt outstanding at July 1, 2016	\$ 24,650,367
New debt issued	1,312,696
Debt retired	2,221,263
Debt outstanding at June 30, 2017	<u>\$ 23,741,800</u>

### ***Budgetary Information***

During the fiscal year ended June 30, 2017, the District made no budgetary adjustments.

### ***Factors Affecting the District's Future***

Factors that may impact the District's future include: 1) Increased enrollment 2) Student enrollment exceeding building capacity, and 3) Construction of new school buildings. Impact to the District regarding these issues will be dependent upon actions taken by the School Facilities Commission. The District may be required to alter scenarios and modify facilities in a reaction mode to the School Facilities Department's actions.

With the global reduction of energy cost, Wyoming and Carbon County's extensive production of coal, natural gas and oil field have seen large reductions in value. This has caused a 37% reduction in the assessed value for the District. With this reduction of assessed value comes an equal reduction in tax collections on the local level. The Wyoming school funding model does provide for a filling of the funding short fall from the State. The District has shifted from a recapture district to an entitlement District. The State of Wyoming has the same reductions happening state wide and has caused extra burden on the availability of funds for education in Wyoming. The Legislature will be challenged to fund education and all the other state services at current level.

### ***Request for Information***

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Margaret Cox, Business Manager, 615 Rodeo Street, Rawlins, Wyoming 82301.

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## **BASIC FINANCIAL STATEMENTS**



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# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF NET POSITION

June 30, 2017

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BOCHES	Recreation Board
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 9,609,351	\$ 321,217	\$ 9,930,568	\$ 621,650	\$ 951,503
Cash held by fiscal agent	2,058,728	-	2,058,728	7,474	3,384
Restricted cash - bond proceeds	1,377,140	-	1,377,140	-	-
Property taxes receivable	17,420,497	-	17,420,497	1,189,605	525,026
Accounts receivable	11,192	-	11,192	16,050	-
Due from other governments	1,537,795	7,627	1,545,422	-	-
Internal balances	12,272	(12,272)	-	-	-
Prepaid items	74,424	-	74,424	-	-
Inventory	39,650	9,986	49,636	184,133	-
Non-current assets					
Restricted investments - bond proceeds	625,718	-	625,718	-	-
Land	1,030,694	-	1,030,694	165,168	-
Construction in progress	60,862,439	-	60,862,439	-	-
Capital assets, net of accumulated depreciation	56,057,269	-	56,057,269	222,368	-
Total assets	150,717,169	326,558	151,043,727	2,406,448	1,479,913
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan items	5,420,586	128,343	5,548,929	396,317	-
Total deferred outflows of resources	5,420,586	128,343	5,548,929	396,317	-
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	1,867,868	7,042	1,874,910	40,899	-
Accrued salaries payable	483,310	5,949	489,259	26,277	-
Payable to external party	1,182	-	1,182	-	-
Noncurrent liabilities					
Due within one year	2,133,186	6,808	2,139,994	6,139	-
Due in more than one year	21,601,806	-	21,601,806	51,173	-
Net pension liability	20,869,873	371,348	21,241,221	1,411,120	-
Total liabilities	46,957,225	391,147	47,348,372	1,535,608	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	15,600,578	-	15,600,578	1,050,787	469,499
Pension plan items	880,490	20,599	901,089	56,738	-
Total deferred inflows of resources	16,481,068	20,599	16,501,667	1,107,525	469,499
<b>NET POSITION</b>					
Net investment in capital assets	96,384,010	-	96,384,010	137,746	-
Restricted by Wyoming state statutes	4,208,743	-	4,208,743	-	1,010,414
Restricted by donors	33,460	-	33,460	-	-
Unrestricted (deficit)	(7,926,751)	43,155	(7,883,596)	21,886	-
Total net position	\$ 92,699,462	\$ 43,155	\$ 92,742,617	\$ 159,632	\$ 1,010,414

See accompanying notes to financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF ACTIVITIES Year Ended June 30, 2017

Function/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 13,139,104	\$ 146,181	\$ 1,879,214	\$ -
Special education instruction	4,008,374	-	742,671	-
Vocational education	17,386	-	-	-
Support services				
Pupil services	2,088,732	-	-	-
Instructional staff services	503,464	-	-	-
General administration services	1,043,841	-	-	-
School administration services	1,617,829	-	27,515	-
Business services	724,144	-	-	-
Operation and maintenance of plant services	5,583,858	-	18,818	1,333,480
Pupil transportation services	1,785,328	-	-	-
Central services	4,920,546	-	-	17,396,558
Other support services	195,120	-	-	-
Interest on long-term debt	834,541	-	-	-
Total governmental activities	36,462,267	146,181	2,668,218	18,730,038
Business-type activities				
Food service fund	975,621	221,596	385,368	-
Aquatic center fund	382,883	42,379	250,000	-
Total business-type activities	1,358,504	263,975	635,368	-
Total primary government	\$ 37,820,771	\$ 410,156	\$ 3,303,586	\$ 18,730,038
Component units				
BOCHES	\$ 2,520,631	\$ 238,862	\$ 26,935	\$ -
Recreation Board	879,779	-	-	-
Total component units	\$ 3,400,410	\$ 238,862	\$ 26,935	\$ -
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt services				
Property taxes, levied for specific purposes				
Recreation				
BOCHES				
Unrestricted investment earnings				
Unrestricted miscellaneous revenue				
Gain (loss) on disposal of capital assets				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position - beginning of year				
Net position - end of year				

See accompanying notes to financial statements

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Unit	Component Unit
Governmental Activities	Business-type Activities	Total	BOCHES	Recreation Board
\$ (11,113,709)	\$ -	\$ (11,113,709)	\$ -	\$ -
(3,265,703)	-	(3,265,703)	-	-
(17,386)	-	(17,386)	-	-
(2,088,732)	-	(2,088,732)	-	-
(503,464)	-	(503,464)	-	-
(1,043,841)	-	(1,043,841)	-	-
(1,590,314)	-	(1,590,314)	-	-
(724,144)	-	(724,144)	-	-
(4,231,560)	-	(4,231,560)	-	-
(1,785,328)	-	(1,785,328)	-	-
12,476,012	-	12,476,012	-	-
(195,120)	-	(195,120)	-	-
(834,541)	-	(834,541)	-	-
(14,917,830)	-	(14,917,830)	-	-
-	(368,657)	(368,657)	-	-
-	(90,504)	(90,504)	-	-
-	(459,161)	(459,161)	-	-
(14,917,830)	(459,161)	(15,376,991)	-	-
-	-	-	(2,254,834)	-
-	-	-	-	(879,779)
-	-	-	(2,254,834)	(879,779)
27,007,714	-	27,007,714	-	-
2,478,382	-	2,478,382	-	-
-	-	-	-	595,680
-	-	-	1,318,209	-
45,046	190	45,236	1,674	1,062
78,896	5,221	84,117	-	-
195,645	-	195,645	(97,755)	-
(600,000)	600,000	-	-	-
29,205,683	605,411	29,811,094	1,222,128	596,742
14,287,853	146,250	14,434,103	(1,032,706)	(283,037)
78,411,609	(103,095)	78,308,514	1,192,338	1,293,451
\$ 92,699,462	\$ 43,155	\$ 92,742,617	\$ 159,632	\$ 1,010,414

**CARBON COUNTY SCHOOL DISTRICT #1****BALANCE SHEET  
GOVERNMENTAL FUNDS**

June 30, 2017

	General Fund	Grants Fund	Major Maintenance Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,700,728	\$ 121,672	\$ 1,861,125
Cash held by fiscal agent	160,414	-	-
Restricted cash - bond proceeds	-	-	-
Property taxes receivable	15,414,400	-	-
Other receivable	-	5,000	-
Due from other governments	-	151,900	-
Due from other funds	611,527	-	117,828
Prepaid items	74,424	-	-
Inventory	39,650	-	-
Restricted investments - bond proceeds	-	-	-
Total assets	<u>\$ 21,001,143</u>	<u>\$ 278,572</u>	<u>\$ 1,978,953</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 134,311	\$ 4,495	\$ 536,937
Due to other funds	-	192,111	-
Accrued salaries payable	434,804	48,506	-
Total liabilities	<u>569,115</u>	<u>245,112</u>	<u>536,937</u>
<b>Deferred inflows of resources</b>			
Deferred property tax revenue	15,253,927	-	-
Total deferred inflows of resources	<u>15,253,927</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>			
<b>Nonspendable</b>			
Prepaid items	74,424	-	-
Inventory	39,650	-	-
<b>Restricted</b>			
Major maintenance W.S. 21-15-109	-	-	1,442,016
Buildings and equipment W.S. 21-13-504	-	-	-
Bond - capital construction W.S. 21-13-701	-	-	-
Bond covenants W.S. 21-13-701(d)	-	-	-
Donors	-	33,460	-
Debt service	-	-	-
Committed	-	-	-
Unassigned	5,064,027	-	-
Total fund balances	<u>5,178,101</u>	<u>33,460</u>	<u>1,442,016</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,001,143</u>	<u>\$ 278,572</u>	<u>\$ 1,978,953</u>

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ 2,925,826	\$ -	\$ 9,609,351
-	1,898,314	2,058,728
1,377,140	-	1,377,140
-	2,006,097	17,420,497
6,192	-	11,192
1,196,567	-	1,348,467
-	-	729,355
-	-	74,424
-	-	39,650
625,718	-	625,718
<u>\$ 6,131,443</u>	<u>\$ 3,904,411</u>	<u>\$ 33,294,522</u>

\$ 1,160,281	\$ -	\$ 1,836,024
526,154	-	718,265
-	-	483,310
<u>1,686,435</u>	<u>-</u>	<u>3,037,599</u>

-	1,992,909	17,246,836
-	1,992,909	17,246,836

-	-	74,424
-	-	39,650
-	-	1,442,016
2,491,073	-	2,491,073
-	1,911,502	1,911,502
855,225	-	855,225
-	-	33,460
930,125	-	930,125
168,585	-	168,585
-	-	5,064,027
<u>4,445,008</u>	<u>1,911,502</u>	<u>13,010,087</u>
<u>\$ 6,131,443</u>	<u>\$ 3,904,411</u>	<u>\$ 33,294,522</u>

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**CARBON COUNTY SCHOOL DISTRICT #1**

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

June 30, 2017

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

Total fund balances - governmental funds		\$	13,010,087
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			117,950,402
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Deferred property tax revenue	\$	1,646,258	
Reimbursements from School Facilities Department - current year		<u>189,328</u>	1,835,586
Deferred outflows and inflows of resources are available revenue or available to pay for current period expenditures and therefore the underlying resources are not reported in the governmental funds.			
Pension plan items - deferred outflows of resources		5,420,586	
Pension plan items - deferred inflows of resources		<u>(880,490)</u>	4,540,096
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:			
Series 2012 bonds payable, including accrued interest		(21,111,844)	
Series 2012 bonds payable premium, net of amortization		(1,166,501)	
Retainage payable		(224,503)	
Compensated absences		(376,381)	
Net pension liability		(20,869,873)	
Lease purchase obligations		<u>(887,607)</u>	<u>(44,636,709)</u>
Net position of governmental activities			<u><u>\$ 92,699,462</u></u>

See accompanying notes to financial statements



# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year Ended June 30, 2017

	General Fund	Grants Fund	Major Maintenance Fund
Revenues			
Taxes	\$ 17,905,239	\$ -	\$ -
Intergovernmental revenues	9,659,497	2,256,692	1,333,480
Charges for services	146,181	-	-
Investment income	17,511	271	5,241
Miscellaneous	93,698	156,929	-
Total revenues	<u>27,822,126</u>	<u>2,413,892</u>	<u>1,338,721</u>
Expenditures			
Instruction			
Regular instruction	9,763,759	1,607,485	-
Special education instruction	3,884,244	739,679	-
Vocation education	-	90	-
Support services			
Pupil services	2,179,512	-	-
Instructional staff services	502,698	5,016	-
General administration services	369,407	24,189	-
School administration services	1,476,357	27,366	-
Business services	683,372	-	-
Operation and maintenance of plant services	3,371,348	-	2,557,841
Pupil transportation services	2,372,511	-	-
Central services	1,643,317	-	-
Other support services	212,617	-	-
Facilities acquisition and construction services	-	-	-
Debt service			
Principal repayments	281,754	-	-
Interest	62,006	-	-
Total expenditures	<u>26,802,902</u>	<u>2,403,825</u>	<u>2,557,841</u>
Excess (deficiency) of revenues over expenditures	<u>1,019,224</u>	<u>10,067</u>	<u>(1,219,120)</u>
Other financing sources (uses)			
Transfers in	34,296	-	-
Transfers out	(1,600,000)	-	-
Proceeds from lease purchase obligations	705,004	-	-
Proceeds from the sale of capital assets	195,645	-	-
Total other financing sources (uses)	<u>(665,055)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	354,169	10,067	(1,219,120)
Fund balances - beginning of year	4,823,932	23,393	2,661,136
Fund balances - end of year	<u>\$ 5,178,101</u>	<u>\$ 33,460</u>	<u>\$ 1,442,016</u>

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 2,449,200	\$ 20,354,439
17,304,939	-	30,554,608
-	-	146,181
22,028	-	45,051
10,000	-	260,627
<u>17,336,967</u>	<u>2,449,200</u>	<u>51,360,906</u>
-	-	11,371,244
-	-	4,623,923
-	-	90
-	-	2,179,512
-	-	507,714
-	-	393,596
-	-	1,503,723
-	-	683,372
5,782,759	-	11,711,948
-	-	2,372,511
-	-	1,643,317
-	-	212,617
19,635,336	-	19,635,336
-	1,340,000	1,621,754
-	838,578	900,584
<u>25,418,095</u>	<u>2,178,578</u>	<u>59,361,241</u>
<u>(8,081,128)</u>	<u>270,622</u>	<u>(8,000,335)</u>
1,000,000	-	1,034,296
-	-	(1,600,000)
-	-	705,004
-	-	195,645
<u>1,000,000</u>	<u>-</u>	<u>334,945</u>
(7,081,128)	270,622	(7,665,390)
<u>11,526,136</u>	<u>1,640,880</u>	<u>20,675,477</u>
<u>\$ 4,445,008</u>	<u>\$ 1,911,502</u>	<u>\$ 13,010,087</u>

# CARBON COUNTY SCHOOL DISTRICT #1

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES Year Ended June 30, 2017

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

Net change in fund balances - total governmental funds \$ (7,665,390)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed the depreciation expense and loss on disposal of assets in the current period.

Capital outlay	\$ 25,305,980	
Depreciation expense	(2,176,809)	
Cost basis of asset disposition	(510,208)	
Accumulated depreciation of asset dispositions	508,208	23,127,171

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

Pension liability - prior year	20,139,612	
Pension liability - current year	(20,869,873)	
Pension plan items - prior year	(5,641,505)	
Pension plan items - current year	4,540,096	(1,831,670)

Governmental funds report payments of long-term debt as expenditures and the issuance of long-term debt as revenue. However, in the statement of activities, the issuance of long-term debt and the principal paid on long-term debt is reported as an increase or reduction of the long-term liabilities.

Issuance of capital leases	(705,004)	
Series 2012 bonds payments	1,340,000	
Series 2012 premium amortization	97,887	
Accrued interest on bond	(31,844)	
Principal payments on lease purchase obligations	281,754	
Retainage	(224,503)	758,290

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Prior year retainage payable	82,839	
Prior year total liability for compensated absences	415,714	
Current year total liability for compensated absences	(376,381)	122,172

Transfer from internal service fund not included in the governmental funds (34,296)

Revenues in the statement of activities that do not provide current financial revenues are not reported as revenues in the funds.

Prior year deferred revenue	(78,890)	
Reimbursements from School Facilities Department - current year	189,328	
Prior year deferred tax revenue	(1,945,120)	
Current year deferred tax revenue	1,646,258	(188,424)
Changes in net position of governmental activities		\$ 14,287,853

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2017

	Business-type Activities			Governmental Activities - Internal Service Fund
	Food Service Fund	Aquatic Center Fund	Total	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 214,843	\$ 106,374	\$ 321,217	\$ -
Due from other funds	339	-	339	-
Due from other governments	7,627	-	7,627	-
Inventory	9,986	-	9,986	-
Total current assets	<u>232,795</u>	<u>106,374</u>	<u>339,169</u>	<u>-</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Pension plan items	<u>91,772</u>	<u>36,571</u>	<u>128,343</u>	<u>-</u>
Total deferred outflows of resources	<u>91,772</u>	<u>36,571</u>	<u>128,343</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	1,900	5,142	7,042	-
Accrued salaries payable	1,065	4,884	5,949	-
Compensated absences	6,808	-	6,808	-
Due to other funds	<u>-</u>	<u>12,611</u>	<u>12,611</u>	<u>-</u>
Total current liabilities	<u>9,773</u>	<u>22,637</u>	<u>32,410</u>	<u>-</u>
Noncurrent liabilities				
Net pension liability	<u>323,936</u>	<u>47,412</u>	<u>371,348</u>	<u>-</u>
Total liabilities	<u>333,709</u>	<u>70,049</u>	<u>403,758</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Pension plan items	<u>14,996</u>	<u>5,603</u>	<u>20,599</u>	<u>-</u>
Total deferred inflows of resources	<u>14,996</u>	<u>5,603</u>	<u>20,599</u>	<u>-</u>
<b>NET POSITION</b>				
Unrestricted (deficit)	<u>(24,138)</u>	<u>67,293</u>	<u>43,155</u>	<u>-</u>
Total net position (deficit)	<u><u>\$ (24,138)</u></u>	<u><u>\$ 67,293</u></u>	<u><u>\$ 43,155</u></u>	<u><u>\$ -</u></u>

See accompanying notes to financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS Year Ended June 30, 2017

	Business-type Activities			Governmental Activities - Internal Service Fund
	Food Service Fund	Aquatic Center Fund	Total	
Operating revenues				
Charges for services	\$ 221,596	\$ 42,379	\$ 263,975	\$ -
Miscellaneous	5,221	-	5,221	-
Total operating revenues	<u>226,817</u>	<u>42,379</u>	<u>269,196</u>	<u>-</u>
Operating expenses				
Salaries	298,795	256,685	555,480	-
Employee benefits	153,670	78,266	231,936	-
Purchased services	6,700	4,047	10,747	-
Supplies and materials	516,123	43,885	560,008	-
Depreciation	333	-	333	-
Total operating expenses	<u>975,621</u>	<u>382,883</u>	<u>1,358,504</u>	<u>-</u>
Operating loss	<u>(748,804)</u>	<u>(340,504)</u>	<u>(1,089,308)</u>	<u>-</u>
Nonoperating revenues				
Federal subsidy	385,368	-	385,368	-
Grant - Recreation Board	-	250,000	250,000	-
Interest income	113	77	190	-
Total nonoperating revenues	<u>385,481</u>	<u>250,077</u>	<u>635,558</u>	<u>-</u>
Net income (loss) before transfers	(363,323)	(90,427)	(453,750)	-
Transfers in (out)	<u>500,000</u>	<u>100,000</u>	<u>600,000</u>	<u>(34,296)</u>
Change in net position	136,677	9,573	146,250	(34,296)
Net position (deficit) - beginning of year	<u>(160,815)</u>	<u>57,720</u>	<u>(103,095)</u>	<u>34,296</u>
Net position (deficit) - end of year	<u>\$ (24,138)</u>	<u>\$ 67,293</u>	<u>\$ 43,155</u>	<u>\$ -</u>

See accompanying notes to financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended June 30, 2017

	Business-type Activities			Governmental Activities - Internal Service Fund
	Food Service Fund	Aquatic Center Fund	Total	
Cash flows from operating activities				
Cash received from services	\$ 213,969	\$ 42,379	\$ 256,348	\$ -
Cash paid to suppliers for goods and services	(466,998)	(43,286)	(510,284)	-
Cash paid to employees for services	(417,224)	(331,933)	(749,157)	-
Net cash used in operating activities	(670,253)	(332,840)	(1,003,093)	-
Cash flows from noncapital financing activities				
Transfers from (to) other fund	500,000	100,000	600,000	(34,296)
Due from other funds	15	12,611	12,626	(996)
Subsidy received from federal grants	331,079	-	331,079	-
Subsidy received from local grants	-	250,000	250,000	-
Net cash provided by (used in) noncapital financing activities	831,094	362,611	1,193,705	(35,292)
Cash flows from investing activities				
Interest income	113	77	190	-
Net cash provided by investing activities	113	77	190	-
Net change in cash and cash equivalents	160,954	29,848	190,802	(35,292)
Cash and cash equivalents - beginning of year	53,889	76,526	130,415	35,292
Cash and cash equivalents - end of year	\$ 214,843	\$ 106,374	\$ 321,217	\$ -

(Continued)

See accompanying notes to financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF CASH FLOWS (CONTINUED) PROPRIETARY FUNDS Year Ended June 30, 2017

	Business-type Activities			Governmental Activities - Internal Service Fund
	Food Service Fund	Aquatic Center Fund	Total	
Reconciliation of operating loss to net cash used in operating activities				
Operating loss	\$ (748,804)	\$ (340,504)	\$ (1,089,308)	\$ -
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation	333	-	333	-
Amortization of pension plan items	6,876	5,192	12,068	-
Commodities - share of federal subsidy	54,289	-	54,289	-
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred inflows and outflows and liabilities				
Inventory	1,738	-	1,738	-
Due from other governments	(7,627)	-	(7,627)	-
Deferred outflow - pension plan items	(5,377)	(1,383)	(6,760)	-
Accounts payable/due to employees for flex benefits	(5,423)	4,646	(777)	-
Accrued salaries payable	139	(10,529)	(10,390)	-
Accrued compensated absences	3,739	-	3,739	-
Deferred inflow - pension plan items	16,975	-	16,975	-
Net pension liability	12,889	9,738	22,627	-
Net cash used in operating activities	<u>\$ (670,253)</u>	<u>\$ (332,840)</u>	<u>\$ (1,003,093)</u>	<u>\$ -</u>
Non-cash transactions				
The Food Service Fund received USDA commodities	\$ 54,289	\$ -	\$ -	\$ -

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1****STATEMENT OF FIDUCIARY NET POSITION**

June 30, 2017

	Agency Funds		
	Private Purpose Trust Fund	Student Activities Fund	Construction Retainage Fund
<b>ASSETS</b>			
Cash	\$ 13,859	\$ 239,930	\$ 507,427
Investments	233,445	-	-
Due from primary government	-	1,182	-
Total assets	247,304	\$ 241,112	\$ 507,427
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 14,010	\$ -
Retainage payable	-	-	507,427
Due to student groups	760	227,102	-
Total liabilities	760	\$ 241,112	\$ 507,427
<b>NET POSITION</b>			
Held in trust for scholarships	246,544		
Total net position	\$ 246,544		

See accompanying notes to financial statements



**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Year Ended June 30, 2017

	Private Purpose Trust Fund
Additions	
Scholarship donations	\$ 8,294
Interest income	589
	<hr/>
Total additions	8,883
	<hr/>
Deductions	
Scholarship awards	10,750
	<hr/>
Total deductions	10,750
	<hr/>
Change in net position	(1,867)
	<hr/>
Net position - beginning of year	248,411
	<hr/>
Net position - end of year	\$ 246,544
	<hr/> <hr/>

See accompanying notes to financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Note 1. Summary of Significant Accounting Policies**

#### ***Reporting Entity***

The Board of Trustees (Board) is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Carbon County School District #1 (District). The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. Generally accepted accounting principles require that the reporting entity include the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. The accompanying financial statements present the financial activity of the District's discretely presented component units. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that they are legally separate from the District.

#### ***Discretely Presented Component Units***

The Board of Cooperative Higher Educational Services (BOCHES) operating as the Carbon County Higher Education Center is governed by a five-member board appointed by the District's Board of Trustees. BOCHES is legally separate from the District. The five-member board is appointed by the District's Board of Trustees. Of the five members four are members of the Board of Trustees. BOCHES provides educational services, including but not limited to postsecondary education, vocational-technical education and adult education, since these services can be provided more effectively through a cooperative effort with Western Wyoming Community College. The Board may impose up to 2 ½ mills on the District's assessed valuation for BOCHES operations. The BOCHES does not prepare separately issued financial statements.

The component unit column in the combined financial statements includes the financial data of the District's Recreation Board. The Recreation Board is a legally separate from the District. The nine-member governing body of the Recreation Board is appointed by the District's Board of Trustees. Only three of the nine members also serve on the District's Board of Trustees. The Recreation Board provides grants to fund public recreation projects within the District's boundaries. The Board can impose a tax not to exceed one mill of the District's assessed valuation for the purpose of operating the Recreation Board. The Recreation Board does not prepare separately issued financial statements.

#### ***Government-Wide and Fund Financial Statements***

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Government-Wide and Fund Financial Statements (Continued)***

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

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation***

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *special revenue fund (Grants fund)* accounts for proceeds from federal, state and other local grant revenue sources that are restricted to expenditures for specific purposes.

The *special revenue fund (Major Maintenance fund)* accounts for the proceeds of specific revenue sources for major maintenance that are restricted to expenditures for specified purposes.

The *capital projects fund (Capital Construction fund)* accounts for the proceeds of specific revenue sources for major capital projects that are restricted to expenditures for specified purposes. This fund also accounts for the depreciation reserve for school building repair established by the Board during the fiscal year 2009 according to Wyoming Statute 21-13-504 and construction financed with Series 2012 bonds and repair and maintenance reserve required by Series 2012 bonds.

The *debt service fund* accounts for tax levy collection and payments on Series 2012 bonds.

The District reports the following major proprietary funds:

The *food service fund* accounts for the activities of the District's breakfast and lunch programs.

The *aquatic center fund* accounts for the activity of the District's aquatic center.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

Additionally, the District reports the following fund types:

The *internal service fund* accounts for District's flex benefit plan, which were transferred to the general fund this period.

The *private purpose trust fund* is used to account for donations for scholarship funds that are received by the District that are to be awarded to current and former students for post-secondary education purposes.

The *agency funds* account for resources held by the District in a custodial capacity, and consists of funds that are the property of students or others including construction retainage.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to students and faculty for food services and charges for the use of the aquatic center. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position/Fund Balance***

##### ***Cash and Cash Equivalents***

The District's cash and cash equivalents consists of demand deposit accounts and a money market account at Wyoming Governmental Investment Fund (WGIF), a governmental investment pool established in 1996 and designed exclusively for Wyoming public entities.

##### ***Deposits and Investments and Restricted Cash and Investments***

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Wyoming Statutes authorize the types of investment in which districts may invest. Among these authorized investments are certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, and repurchase agreements involving U.S. Government securities.

# **CARBON COUNTY SCHOOL DISTRICT #1**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

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### ***Note 1. Summary of Significant Accounting Policies (Continued)***

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position/Fund Balance (Continued)***

##### ***Deposits and Investments and Restricted Cash and Investments (Continued)***

The District's investments are reported at fair value. Fair value is determined using the latest bid price or by the closing exchange price at the statements of net position date. The District's investments consist of participation in the Wyoming Government Investment Fund (WGIF) investment pool and certificates of deposit. WGIF was established on or after July 1, 1996 according to the Wyoming Statutory Trust Act. Shares of the fund are offered exclusively to Wyoming Governmental entities. Separate accounts are maintained for each entity. The pool invests in obligations of the U.S. Treasury and other investments as authorized by Wyoming Statutes.

The District's restricted cash and investments represent proceeds from bonds held in escrow.

##### ***Accounts Receivable***

The District considers all accounts receivable to be fully collectible at June 30, 2017 and, therefore no allowance for doubtful accounts is deemed necessary.

##### ***Interfund Balances***

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities.

##### ***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or about August 1 and are payable in two installments. The first installment becomes due on September 1 and delinquent on November 10, the second becomes due on March 1 and delinquent on May 10. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County, including Carbon County School District #1. District 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. Property taxes which are not current receivables are offset by deferred revenues on the fund financials, but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date.

The District is required by Wyoming Statutes to levy taxes of twenty-five mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. In addition, a county-wide school property tax of 6 mills is levied, BOCHES district tax for 2.5 mills, bonds and interest of 2.45 mills and a recreation district tax for 1 mill. The combined tax related to finance general school services other than the payment of principal and interest on long-term debt for the year ended June 30, 2017 was 36.95 mills.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### *Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position/Fund Balance (Continued)*

##### ***Inventories***

Inventory is valued at the lower of cost (first-in, first-out) or market. Governmental fund type inventories are recorded using the purchase method whereby they are recorded as expenditures when purchased within the fund level financial statements. On the other hand the consumption method is used for reporting these inventories at the government-wide level.

Enterprise fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold. Inventory in the food service fund consists of food products including USDA food commodities held for consumption.

BOCHES inventory consists of a house construction project that is in process at the end of the year and will be sold in the next fiscal year. The house is constructed by the students in the BOCHES program.

##### ***Capital Assets***

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives.

Assets	Years
Buildings	50
Building improvements	20
Vehicles	8-12
Property and equipment	3-25

##### ***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wyoming Retirement System ("WRS") plans and additions to/deductions from WRS's fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position/Fund Balance (Continued)***

##### ***Deferred Outflows and Deferred Inflows of Resources***

In addition to assets, the financial statements may include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a decrease of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements may include a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an increase of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred outflows and deferred inflows of resources as follows:

*Unavailable revenues* – Unavailable revenue is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. In the government-wide statement of net position, property tax revenue is reported as a deferred inflow of resources in the year the taxes are levied.

*Pension-related amounts* – In the government-wide and proprietary funds statement of net position, a deferred outflow or deferred inflow of resources is reported for the unrecognized items not yet charged to pension expense related to the net pension liability. This includes the unamortized portion of the net difference between projected and actual earnings on pension plan investments and other differences between expected and actual experience. Deferred outflows for the net difference between projected and actual investment earnings are recognized over a period of five years, while the deferred inflows or deferred outflows for the differences between expected and actual experience for economic/demographic assumptions are recognized over the remaining service life for all active and inactive members.

##### ***Compensated Absences***

The District's full-time certified staff earns ten days of sick leave per year and two days of personal leave with unlimited accumulation. Unused personal leave is converted to sick leave. The District's certified staff is compensated for their accumulated sick leave up to a maximum one hundred days based on a graduated scale depending on their length of service. The number of days accumulated, up to the maximum, is paid at the rate of \$8.50 for each accumulated eligible hour at the time the employee leaves the District.

The District's support personnel earn sick leave days each month with unlimited accumulation based on the number of hours worked. Support personnel who have a minimum of ten years of continuous service to the District are compensated for their accumulation, up to a maximum of ninety days at the daily rate of one-half the entry level rate on the salary schedule for each job class. All full-time support personnel are entitled to vacation leave after completing one year of employment with the District. Vacation leave is earned on a graduated scale depending on the length of service. Vacation leave must be taken within the year after it is earned and may not accumulate.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Assets, Liabilities, Deferred Inflows and Outflows of Resources and Net Position/Fund Balance (Continued)***

##### ***Fund Balance and Net Position***

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the District's Board of Trustees, the highest level of authority, through approval of resolutions. Assigned fund balances is a limitation imposed by a designee of the District board. Unassigned fund balance in the General fund is the net resources in excess of what can be properly classified in one of the above four categories. Negative unassigned fund balance in other governmental funds represents excess expenditures incurred over the amounts restricted, committed, or assigned to those purposes. Proprietary fund equity is classified the same as in the government-wide statements.

When both restricted and unrestricted fund balances are available for use, it is the District's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

The food service fund has a deficit net position as of June 30, 2017. The deficit net position in the food service fund is the result of recognizing the net pension liability as required by governmental accounting standards.

##### ***Restricted Net Position***

For the government-wide financial statements, net position is reported as restricted when constraints placed on net position are either: (1) Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

##### ***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The pension liabilities estimates are significant to the District. It is reasonably possible that these estimates will change within one year of the date of the financial statement due to one or more future events. The effect of the change could be material to the financial statements and could result in a loss.



# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### Note 2. Stewardship, Compliance, and Accountability

#### *Budgets and Budgetary Accounting*

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to May 15, the Superintendent submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted by the third Wednesday in July to obtain public comments.

The budget is adopted by the third Thursday of July.

At the request of the Superintendent or upon its own motion after publication of notice, the Board of Trustees may by resolution transfer any unencumbered or unexpended appropriation balance or part thereof from one fund, department or account to another. All appropriations, excluding appropriations for capital projects, lapse at the close of the budget year to the extent they are not expended or encumbered. The level of expenditure control for budget purposes is the department level.

Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds, and capital projects funds.

The District adopts all budgets on a cash basis (NON-GAAP). Such basis is not consistent with generally accepted accounting principles (GAAP).

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration during the year. Encumbrances outstanding at year end are immaterial.

### Note 3. Deposits and Investments

Deposits are placed with various financial institutions and are carried at cost. At June 30, 2017, the carrying amount of the District's bank deposits was \$10,015,237 and the bank balance was \$11,605,497. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All bank deposits at June 30, 2017 were covered by insurance or collateral held in joint custody with the financial institution.

The District also had cash equivalents of \$1,545,010 in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Poor's. The WGIF Liquid Asset Series seeks to maintain a stable net asset value of \$1.00 and is managed to a maximum weighted average maturity to reset of 60 days. Management does not believe its cash balances are at risk as a result of not being fully insured or collateralized. The District has not incurred any losses related to uninsured deposits.

As of June 30, 2017, the District had the following investments:

Investment Type	Total	Maturity 1 year or less	Interest Rate	S&P Rating
District restricted				
Wyoming Government Investment Fund Pool (WGIF)				
U.S. Treasury notes	\$ 625,718	\$ 625,718	2.375%	AA+
Private Purpose Trust Fund				
Certificate of Deposit	\$ 233,456	\$ 233,456	0.35%	Not rated

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### **Note 3. Deposits and Investments (Continued)**

**Interest rate risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investments are held in an external pooled investment account, and as a means of limiting its exposure to fair value losses arising from rising interest rates, the District attempts to match its investment maturities to expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains or losses.

**Credit risk.** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Credit risk is measured by the assignment of a rating by a nationally recognized credit rating agency. The District invests in US Treasury Notes, which the District believes limits credit risk. State law precludes governments from investments in corporate bonds, stocks or mutual funds and limits investment in commercial paper to short term maturities (not greater than 270 days) and to the top ratings issued by nationally recognized statistical rating organizations (Moody's and Standard and Poor's).

**Concentration of credit risk.** The District does not have a formal policy that allows for or limits investment in any one issuer that is in excess of a specified percentage of the District's total investments. At June 30, 2017, the District's investments were in US Treasury Notes and certificates of deposits.

**Custodial credit risk - deposits.** In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require that the District's deposits in excess of the Federal depository insurance amount be collateralized. At June 30, 2017, the District's deposits were fully collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the District.

**Custodial credit risk - investments.** For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District limits its holdings to those held by WGIF in the District's name. In addition, all certificates of deposits held by the District are covered by FDIC insurance.

### **Note 4. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has U.S. Treasury notes of \$625,718 that are valued using quoted market prices (Level 1 inputs).

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### **Note 5. Capital Assets**

A summary of changes in capital assets for governmental activities follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,030,694	\$ -	\$ -	\$ 1,030,694
Construction in progress	43,481,282	24,478,842	7,097,685	60,862,439
Total capital assets, not being depreciated	44,511,976	24,478,842	7,097,685	61,893,133
Capital assets, being depreciated				
Buildings and improvements	72,124,306	7,031,624	-	79,155,930
Vehicles	3,888,724	695,945	510,208	4,074,461
Property and equipment	1,064,277	197,254	-	1,261,531
Total capital assets, being depreciated	77,077,307	7,924,823	510,208	84,491,922
Less accumulated depreciation				
Buildings and improvements	23,026,204	1,751,194	-	24,777,398
Vehicles	3,157,865	314,827	508,208	2,964,484
Property and equipment	581,983	110,788	-	692,771
Total accumulated depreciation	26,766,052	2,176,809	508,208	28,434,653
Total capital assets, being depreciated, net	50,311,255	5,748,014	2,000	56,057,269
Governmental activities capital assets, net	<u>\$ 94,823,231</u>	<u>\$ 30,226,856</u>	<u>\$ 7,099,685</u>	<u>\$ 117,950,402</u>

The District has \$1,442,372 assets under capital leases with accumulated depreciation of \$553,564. The depreciation expense for the fiscal year ended June 30, 2017 was \$175,862.

A summary of changes in the District's business-type activity capital assets follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Business-type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 173,675	\$ -	\$ -	\$ 173,675
Property and equipment	187,981		-	187,981
Total capital assets, being depreciated	361,656	-	-	361,656
Less accumulated depreciation				
Buildings and improvements	173,676	-	-	173,676
Property and equipment	187,647	333	-	187,980
Total accumulated depreciation	361,323	333	-	361,656
Business-type activities capital assets, net	<u>\$ 333</u>	<u>\$ (333)</u>	<u>\$ -</u>	<u>\$ -</u>

**CARBON COUNTY SCHOOL DISTRICT #1****NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

**Note 5. Capital Assets (Continued)**

A summary of changes in BOCHES capital assets follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets, not being depreciated				
Land	\$ 165,168	\$ -	\$ -	\$ 165,168
Total capital assets, not being depreciated	165,168	-	-	165,168
Capital assets, being depreciated				
Buildings and improvements	173,535	36,398	-	209,933
Vehicles	134,476	-	-	134,476
Property and equipment	464,772	9,690	5,086	469,376
Total capital assets, being depreciated	772,783	46,088	5,086	813,785
Less accumulated depreciation				
Buildings and improvements	106,084	9,610	-	115,694
Vehicles	100,180	5,019	-	105,199
Property and equipment	341,061	34,549	5,086	370,524
Total accumulated depreciation	547,325	49,178	5,086	591,417
Total capital assets, being depreciated, net	225,458	(3,090)	-	222,368
Total capital assets, net	\$ 390,626	\$ (3,090)	\$ -	\$ 387,536

Depreciation expenses were charged to function/programs of the District as follows:

Governmental activities	
Regular instruction	\$ 110,788
Pupil transportation	314,827
Operation and maintenance of plant services	1,751,194
Total depreciation expenses - governmental activities	<u>\$ 2,176,809</u>
Business-type activities	
Food service fund	\$ 333
Total depreciation expenses - business-type activities	<u>\$ 333</u>

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### **Note 6. Long-term Debt**

The following is a summary of debt transactions of the District for the year ended June 30, 2017:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Lease purchase obligations	\$ 464,357	\$ 705,004	\$ 281,754	\$ 887,607	\$ 294,497
Series 2012 bonds	22,420,000	-	1,340,000	21,080,000	1,395,000
Retainage payable	82,839	224,503	82,839	224,503	224,503
Accrued compensated absences	415,714	376,381	415,714	376,381	121,299
	<u>23,382,910</u>	<u>1,305,888</u>	<u>2,120,307</u>	<u>22,568,491</u>	<u>2,035,299</u>
Premium on Series 2012 bonds	1,264,388	-	97,887	1,166,501	97,887
Net pension liability	20,139,612	730,261	-	20,869,873	-
	<u>\$ 44,786,910</u>	<u>\$ 2,036,149</u>	<u>\$ 2,218,194</u>	<u>\$ 44,604,865</u>	<u>\$ 2,133,186</u>
Business-type Activities					
Accrued compensated absences	\$ 3,069	\$ 6,808	\$ 3,069	\$ 6,808	\$ 6,808
Net pension liability	348,721	22,627	-	371,348	-
	<u>\$ 351,790</u>	<u>\$ 29,435</u>	<u>\$ 3,069</u>	<u>\$ 378,156</u>	<u>\$ 6,808</u>

For the governmental activities, debt is generally liquidated by the general fund except for the retainage payable that is liquidated by the capital construction fund and debt related to Series 2012 bonds which will be liquidated by the debt service fund.

The summary of BOCHES debt transactions for the year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Lease purchase obligations	\$ 22,633	\$ 9,690	\$ 4,901	\$ 27,422	\$ 6,139
Accrued compensated absences	31,604	29,890	31,604	29,890	-
	<u>54,237</u>	<u>39,580</u>	<u>36,505</u>	<u>57,312</u>	<u>6,139</u>
Net pension liability	1,225,812	185,308	-	1,411,120	-
	<u>\$ 1,280,049</u>	<u>\$ 224,888</u>	<u>\$ 36,505</u>	<u>\$ 1,468,432</u>	<u>\$ 6,139</u>

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### Note 6. Long-term Debt (Continued)

As of June 30, 2017 the District had the following outstanding lease purchase obligations:

Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$18,191 including interest through December 2018; collateralized with copiers.	\$ 95,843
Lease purchase obligations for four buses; interest rate of 3.85%, due in annual installments of \$104,777 including interest through May 2019; collateralized with buses.	234,642
Lease purchase obligations for five buses; interest rate of 3.85%, due in annual installments of \$151,845 including interest through May 2021; collateralized with buses.	536,899
Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$1,067 including interest through November 2018; collateralized with copiers.	5,619
Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$717 including interest through October 2020; collateralized with copiers.	7,792
Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$649 including interest through September 2020; collateralized with copiers.	6,812
	<u>\$ 887,607</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017, are as follows:

Year ended June 30,	
2018	\$ 339,119
2019	300,603
2020	198,711
2021	136,972
Total minimum payments	<u>975,405</u>
Less amount representing interest	87,798
Net future minimum payments	<u>\$ 887,607</u>

**CARBON COUNTY SCHOOL DISTRICT #1****NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

**Note 6. Long-term Debt (Continued)****Bonds**

In May 2012, the District issued Series 2012 bonds for the purpose of funding construction projects. Principal payments are due June 15<sup>th</sup> and interest payments are due June 15<sup>th</sup> and December 15<sup>th</sup>.

The debt service requirement and premium amortization on the Series 2012 bonds as of June 30, 2017 is as follows:

Year Ending June 30	Interest Rate	Series 2012		Total Principal and Interest	Premium amortization
		Principal	Interest		
2018	4.00%	\$ 1,395,000	\$ 818,836	\$ 2,213,836	\$ 97,887
2019	4.00%	1,450,000	763,036	2,213,036	97,887
2020	4.00%	1,510,000	705,036	2,215,036	97,887
2021	5.00%	1,570,000	644,636	2,214,636	97,887
2022	5.00%	1,650,000	566,136	2,216,136	97,887
2023 to 2027	3.1% to 4%	9,315,000	1,753,350	11,068,350	489,435
2028 to 2029	3.75% to 4.5%	4,190,000	236,701	4,426,701	187,631
		<u>\$ 21,080,000</u>	<u>\$ 5,487,731</u>	<u>\$ 26,567,731</u>	<u>\$ 1,166,501</u>

**Note 7. Interfund Receivables, Payables and Transfers**

The composition of the interfund balances as of June 30, 2017 is as follows:

	Interfund Receivable	Interfund Payable
Primary government		
General fund	\$ 611,527	\$ -
Major Maintenance Fund	117,828	-
Grants Fund	-	192,111
Capital construction fund	-	526,154
Business-type activities		
Food service fund	339	-
Aquatic center fund	-	12,611
Agency fund		
Student activities fund	1,182	-
	<u>\$ 730,876</u>	<u>\$ 730,876</u>

The outstanding balance between funds result mainly from the time lag between the dates (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### Note 7. Interfund Receivables, Payables, and Transfers (Continued)

During the fiscal year ended June 30, 2017 the District had the following interfund transfers:

	Transfers in	Transfers out
General fund	\$ 34,296	\$ 1,600,000
Capital construction fund	1,000,000	-
Food service fund	500,000	-
Aquatic center fund	100,000	-
Internal service fund	-	34,296
	<u>\$ 1,634,296</u>	<u>\$ 1,634,296</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### Note 8. Pension Plan

The District participates in the Public Employees' Pension Plan ("PEPP"), 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 PEPP provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes.

PEPP members are required to contribute 8.25% of their annual covered salary and the District is required to contribute 8.37% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The District currently pays 15.19% of the required employee's contribution and the employees pay 1.43%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes.

The District's contributions to the PEPP for the years ended June 30, 2017, 2016 and 2015 were \$2,361,403, \$2,405,446, and \$2,290,113, while the employees' portion was \$221,029, \$226,452, and \$225,348, respectively, equal to the required contributions for each year.

BOCHES currently pays 100% of the required employee's contribution to the PEPP. The BOCHES contributions to the PEPP for the years ended June 30, 2017, 2016 and 2015 were \$160,548, \$170,684, and \$162,501, respectively.

Through legislation passed during the 2014 legislative session, two tiers of benefits were established for participants of this plan. For Tier 1 (first contribution before 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 60. Early retirement is allowed provided the employee has completed four years of service and attained age 50 or 25 years of service but will result in a reduction of benefits based on the length of time remaining to age 60. For Tier 2 (first contribution on or after 9/1/2012), the Plan allows for normal retirement after four years of service and attainment of age 65. Early retirement is allowed provided the employee has completed four years of service and attained age 55, or 25 or more years of service but will result in a reduction of benefits based on the length of time remaining to age 65. All employees may also retire upon normal retirement on the basis that the sum of the member's age and service is at least 85.



# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### Note 8. Pension Plan (Continued)

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be grant by the State Legislature. In addition, a cost of living adjustment will not be approved by the legislature unless the plan is 100% funded after the COLA is awarded.

Employees terminating prior to normal retirement can elect to withdraw all employee contributions plus accumulated interest through date of termination or, if they are vested, they may elect to remain in the Plan and be eligible for unreduced retirement benefits at age 60 (Tier 1 employee) or 65 (Tier 2 employee).

The Wyoming Retirement System issues a publicly available financial report which includes audited financial statements and required supplementary information for each plan. Detailed information about the pension plans' fiduciary net position is available in separately issued Wyoming Retirement System financial report. The report may be obtained from the Wyoming Retirement System website at <http://retirement.state.wy.us>.

### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2017, the District and BOCHES reported a total liability of \$21,241,221 and \$1,411,120, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation January 1, 2017. The proportion of the net pension liability was based on a projection of the long-term share of contributions to the pension plans relative to the projected contributions of all participating governmental entities, actuarially determined. The schedule below shows the District's proportionate share of the net pension liability as June 30, 2017, the proportion at the measurement date of December 31, 2016, and the change in the proportion from its proportion measured as of December 31, 2015.

	Pension liability	Proportion at December 31, 2016	Increase (decrease) from December 31, 2015
District			
Public Employees' Pension Plan	\$ 21,241,221	0.878644000%	-0.000929764%
BOCHES			
Public Employees' Pension Plan	\$ 1,411,120	0.058371000%	0.005746355%

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### **Note 8. Pension Plan (Continued)**

#### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)***

For the year ended June 30, 2017, the District and BOCHES recognized pension expense of \$4,237,984 and \$345,215, respectively. At June 30, 2017, the District and BOCHES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	District	Component Unit	District	Component Unit
		BOCHES		BOCHES
Net difference between projected and actual earnings on pension plan investments	\$ 3,963,004	\$ 238,913	\$ -	\$ -
Difference between actual and expected experience	-	-	569,716	35,968
Change in employer's proportion	-	76,975	331,373	20,770
Amortizing deferred outflows and deferred inflows	3,963,004	315,888	901,089	56,738
Contributions subsequent to the measurement date	1,585,925	80,429	-	-
Total	<u>\$ 5,548,929</u>	<u>\$ 396,317</u>	<u>\$ 901,089</u>	<u>\$ 56,738</u>

The District and BOCHES reported \$1,585,925 and \$80,429, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	District	Component Unit	District	Component Unit
		BOCHES		BOCHES
Year ended June 30,				
2018	\$ 1,411,205	\$ 111,854	\$ 419,505	\$ 26,379
2019	1,411,205	111,854	392,252	24,672
2020	1,078,146	88,032	89,332	5,687
2021	62,448	4,148	-	-
	<u>\$ 3,963,004</u>	<u>\$ 315,888</u>	<u>\$ 901,089</u>	<u>\$ 56,738</u>

**CARBON COUNTY SCHOOL DISTRICT #1****NOTES TO FINANCIAL STATEMENTS**

June 30, 2017

**Note 8. Pension Plan (Continued)*****Actuarial Assumptions***

The total pension liability in the December 31, 2016 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods	
Valuation date	1/1/2017
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year
Actuarial assumptions:	
Investment net rate of return	7.75%
inflation)	4.25% to 6.00%
Assumed inflation rate	3.25%
Mortality	RP-2000 Combined Mortality Table, fully generational projected with Scale BB

The current actuarial assumptions and methods used in the January 1, 2017 valuation were based upon an experience study that covered a five-year period ending December 31, 2011. Differences between assumptions and actual experience since the prior valuation are identified as actuarial gains and losses. These gains and losses impact the unfunded actuarial liability and future funding requirements determined in subsequent valuations.

The long term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation as of January 1, 2017, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	0.00%	-0.20%
Fixed income	20.00%	1.95%
Equity	45.00%	7.73%
Marketable alternatives	17.50%	3.73%
Private markets	17.50%	7.14%
Total	100.00%	

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

### Note 8. Pension Plan (Continued)

#### *Discount Rate*

The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions for participating governmental entities will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### *Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

Pension Plan	1% Decrease (6.75)%	Current Discount Rate (7.75)%	1% Increase (8.75)%
District			
Public Employees' Pension Plan	\$ 30,509,486	\$ 21,241,221	\$ 13,456,761
BOCHES			
Public Employees' Pension Plan	\$ 2,026,838	\$ 1,411,120	\$ 893,974

***Payables to the pension plan*** – At June 30, 2017 BOCHES reported \$13,596 as payable to the pension plan and the District had no payables.

### Note 9. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2017 the District contracted with various insurance companies for property insurance (including boiler and machinery), general liability insurance, professional insurance and vehicle insurance. The coverage's under each type of insurance policy vary in amounts and deductibles. The District has not had significant settlements exceeding insurance coverage in any of the past three fiscal years.

The District pays into the State Worker's Compensation System a premium based on a rate per covered payroll. This rate is calculated based on accident history and administrative cost. For the year ended June 30, 2017, the District paid \$147,608 into the State Worker's Compensation System.

The District participates in the Associated School Boards Workers' Compensation Fund ("Fund"). The Fund provides coverage for the protection of the District, the board of trustees and employees. The Fund provides compensation for work-related injuries arising out of accidental bodily injury or death to persons acting within the scope of their employment. This fund covers the employees that are not covered by the State Worker's Compensation System. The annual premium was paid prior to the end of the year and recorded as a prepaid item on the financial statements.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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### Note 9. Risk Management (Continued)

The District participates in the Wyoming Educator Benefit Trust (WEBT). The District paid \$2,355,181 in premiums to WEBT. After the second renewal with WEBT, the District is required to give WEBT a 45 days' notice of its termination and the eligible claims submitted within six months following the termination date will be paid by WEBT.

### Note 10. Transactions with Discretely Presented Component Unit

During the fiscal year ended June 30, 2017, the District received \$250,000 from the Recreation Board to operate the swimming pool.

### Note 11. Commitments and Contingencies

The District has an investigation related to an employment matter pending as of June 30, 2017. The District's insurance provides coverage for these claims; however, the District may be liable for its deductible related to any specific case. The deductible has not been accrued since the outcome of these matters is not presently determinable. In management's opinion, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

As of June 30, 2017, the District had the following outstanding contract commitments:

	Contract Amount	Completed Amount	Outstanding Amount
Rawlins High School	\$ 67,604,410	\$ 61,178,062	\$ 6,426,348
Rawlins Elementary K-1	1,300,999	1,275,482	25,517
Rawlins Elementary Mechanical & Elcectrical	1,185,570	616,481	569,089
Carbon County School District Central Office	49,495	36,630	12,865
Little Snake River Bus Garage Electrical	10,000	-	10,000
	<u>\$ 70,150,474</u>	<u>\$ 63,106,655</u>	<u>\$ 7,043,819</u>

### Note 12. Issued Standards Not Yet Implemented

GASB Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. The requirements of the Statement are effective for reporting periods beginning after December 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

GASB Statements No. 85, *Omnibus 2017*, establishes accounting and financial reporting requirements for blending component units, goodwill, classifying real estate held by insurance entities, measuring certain money market investments and participating interest-earning contracts at amortized cost, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of the Statement are effective for reporting periods beginning after June 15, 2017. Management has not completed its assessment of the effects of implementing this standard.

### Note 13. Subsequent Events

The District did not have any subsequent events through December 15, 2017, the date at which the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2017.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) GENERAL FUND (UNAUDITED) Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 15,831,757	\$ 15,831,757	\$ 15,027,763	\$ (803,994)
County sources	3,880,140	3,880,140	3,664,915	(215,225)
State sources	8,855,000	8,855,000	9,079,034	224,034
Other sources	5,100,000	5,100,000	195,645	(4,904,355)
Total revenues	<u>33,666,897</u>	<u>33,666,897</u>	<u>27,967,357</u>	<u>(5,699,540)</u>
<b>Expenses</b>				
Instruction	16,532,599	16,532,599	14,817,802	1,714,797
Instructional support	2,390,722	2,390,722	1,609,197	781,525
Support services - general support	10,808,576	10,808,576	9,843,454	965,122
Facilities acquisition and construction	500,000	500,000	-	500,000
Payment to other government units	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>31,231,897</u>	<u>31,231,897</u>	<u>26,270,453</u>	<u>4,961,444</u>
Excess of revenues over expenditures	<u>2,435,000</u>	<u>2,435,000</u>	<u>1,696,904</u>	<u>(738,096)</u>
<b>Other financing uses</b>				
Interest expense	(85,000)	(85,000)	-	85,000
Transfers out	(1,100,000)	(1,100,000)	(1,600,000)	(500,000)
Total other financing uses	<u>(1,185,000)</u>	<u>(1,185,000)</u>	<u>(1,600,000)</u>	<u>(415,000)</u>
Net change in fund balance	1,250,000	1,250,000	96,904	<u>\$ (1,153,096)</u>
Fund balance - beginning of year	<u>4,811,913</u>	<u>4,811,913</u>	<u>4,811,913</u>	
Fund balance - end of year	<u>\$ 6,061,913</u>	<u>\$ 6,061,913</u>	<u>\$ 4,908,817</u>	

### ***Note to the budgetary presentation***

The payment to other governmental units represents the BOCHES property taxes that are levied and paid to the District by the County Treasurer. The District acts as the pass through agency for the taxes and budgeted the estimated taxes as local source revenue and a related expense. This fiscal year, the District accounted for the receipt and payment of the property taxes through a balance sheet clearing account rather than recording the income and expense.



# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) GRANTS FUND (UNAUDITED) Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 4,247,204	\$ 4,247,204	\$ 1,607,184	\$ (2,640,020)
State sources	700,000	700,000	670,140	(29,860)
Local sources	120,000	120,000	151,929	31,929
Investment earnings	-	-	271	271
Total revenues	<u>5,067,204</u>	<u>5,067,204</u>	<u>2,429,524</u>	<u>(2,637,680)</u>
Expenditures				
Instruction	4,350,000	4,350,000	2,378,089	1,971,911
Instructional support	200,000	200,000	4,373	195,627
Support services	450,000	450,000	51,517	398,483
Total expenditures	<u>5,000,000</u>	<u>5,000,000</u>	<u>2,433,979</u>	<u>2,566,021</u>
Excess (deficiency) of revenues over expenditures	67,204	67,204	(4,455)	<u>\$ (71,659)</u>
Fund balance (deficit) - beginning of year	<u>(65,983)</u>	<u>(65,983)</u>	<u>(65,983)</u>	
Fund balance (deficit) - end of year	<u>\$ 1,221</u>	<u>\$ 1,221</u>	<u>\$ (70,438)</u>	

See accompanying notes to required supplementary information

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

### BUDGET AND ACTUAL (BUDGETARY BASIS)

### MAJOR MAINTENANCE FUND (UNAUDITED)

Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,333,480	\$ 1,333,480	\$ 1,333,480	\$ -
Interest	5,000	5,000	5,241	241
Total revenues	<u>1,338,480</u>	<u>1,338,480</u>	<u>1,338,721</u>	<u>241</u>
Expenditures				
Capital outlay	4,075,028	4,075,028	2,096,657	1,978,371
Total expenditures	<u>4,075,028</u>	<u>4,075,028</u>	<u>2,096,657</u>	<u>1,978,371</u>
Deficiency of revenues over expenditures	(2,736,548)	(2,736,548)	(757,936)	<u>\$ 1,978,612</u>
Fund balance - beginning of year	<u>2,736,889</u>	<u>2,736,889</u>	<u>2,736,889</u>	
Fund balance - end of year	<u>\$ 341</u>	<u>\$ 341</u>	<u>\$ 1,978,953</u>	

See accompanying notes to required supplementary information

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 fiscal years\*\*

(Unaudited)

	2017	2016	2015
<b>Public Employees' Pension Plan - District</b>			
Proportion of the net pension liability (asset)	0.878644000%	0.879573764%	0.920754768%
Proportionate share of the net pension liability (asset)	\$ 21,241,221	\$ 20,488,333	\$ 16,248,488
Covered payroll	15,665,390	15,340,416	15,739,497
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	135.59%	133.56%	103.23%
Plan fiduciary net position as a percentage of the total pension liability	73.42%	73.40%	79.08%
<b>Public Employees' Pension Plan - BOCHES</b>			
Proportion of the net pension liability (asset)	0.058371000%	0.052624645%	0.055306551%
Proportionate share of the net pension liability (asset)	\$ 1,411,120	\$ 1,225,812	\$ 975,991
Covered payroll	1,040,700	917,813	945,417
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	135.59%	133.56%	103.23%
Plan fiduciary net position as a percentage of the total pension liability	73.42%	73.40%	79.08%

\*Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

\*\*The amounts presented for each fiscal year were determined as of 12/31.

See accompanying notes to required supplementary information

2014	2013	2012	2011	2010	2009	2008
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years  
(Unaudited)

	2017	2016	2015
	<hr/>	<hr/>	<hr/>
<b>Public Employees' Pension Plan - District</b>			
Contractually required contribution	\$ 2,582,432	\$ 2,631,898	\$ 2,515,461
Contributions in relations to the contractually required contributions	<hr/> (2,582,432) <hr/>	<hr/> (2,631,898) <hr/>	<hr/> (2,515,461) <hr/>
Contribution deficiency (excess)	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>
Covered payroll	\$ 15,538,099	\$ 15,835,728	\$ 15,850,416
Contributions as a percentage of covered payroll	16.62%	16.62%	15.87%
<b>Public Employees' Pension Plan - BOCHES</b>			
Contractually required contribution	\$ 160,548	\$ 170,684	\$ 162,501
Contributions in relations to the contractually required contributions	<hr/> (160,548) <hr/>	<hr/> (170,684) <hr/>	<hr/> (162,501) <hr/>
Contribution deficiency (excess)	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>	<hr/> \$ - <hr/>
Covered payroll	\$ 965,993	\$ 1,026,980	\$ 1,023,951
Contributions as a percentage of covered payroll	16.62%	16.62%	15.87%

\*Information for years prior to 2015 is not available; the schedule will be completed as information becomes available.

2014	2013	2012	2011	2010	2009	2008
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
*	*	*	*	*	*	*
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# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2017

### Note 1. Explanation of Differences Between Budgetary Basis and GAAP Basis

	General Fund	Grants Fund	Major Maintenance Fund
Revenues			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 27,967,357	\$ 2,429,524	\$ 1,338,721
Differences - Budget Basis to GAAP			
Accrual of property taxes receivable	50,364	-	-
Intergovernmental revenue	-	(20,632)	-
Proceeds from the sale of capital assets	(195,595)	-	-
Miscellaneous revenue	-	5,000	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 27,822,126</u>	<u>\$ 2,413,892</u>	<u>\$ 1,338,721</u>
Expenditures			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 26,270,453	\$ 2,433,979	\$ 2,096,657
Differences - Budget Basis to GAAP			
Accrual of accounts payable	(124,882)	(26,412)	461,184
Accrual of salaries payable	(39,041)	(3,742)	-
Inventory	(8,632)	-	-
Interest	62,006	-	-
Principal	281,754	-	-
Lease purchase obligations	361,244	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 26,802,902</u>	<u>\$ 2,403,825</u>	<u>\$ 2,557,841</u>

### Note 2. Budgeting

Annual budgets are adopted on the cash basis for all governmental funds. Legal spending control for the District monies is at the function level. The District may amend the budget after it is appropriated using the same procedures necessary to approve the original budget at the functional level. Management monitors expenditures at budgetary line item levels within each fund to enhance the accounting control system and may amend the budget at this level as long as the functional level budget is maintained.

### Note 3. Explanation of Changes to the Pension Plan

**Changes of assumptions** – There have been no changes of assumptions in the Public Employees' Pension Plan since the prior valuation.

**Change in benefits** – There has been no changes in benefit provisions in the Public Employees' Pension Plan since the prior valuation.



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## **OTHER SUPPLEMENTARY INFORMATION**

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# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### CAPITAL CONSTRUCTION FUND - CAPITAL PROJECTS

Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 35,000,000	\$ 35,000,000	\$ 19,149,225	\$ (15,850,775)
Total revenues	35,000,000	35,000,000	19,149,225	(15,850,775)
Expenditures				
Capital outlay	35,294,736	35,294,736	19,547,609	15,747,127
Total expenditures	35,294,736	35,294,736	19,547,609	15,747,127
Deficiency of revenues over expenditures	(294,736)	(294,736)	(398,384)	<u><u>\$ (103,648)</u></u>
Fund balance - beginning of year	294,736	294,736	294,736	
Fund balance (deficit) - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (103,648)</u></u>	

***Note to the budgetary presentation***

The Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds includes the Capital Projects fund.

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### CAPITAL CONSTRUCTION FUND - DEPRECIATION RESERVE

Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 6,000	\$ 6,000	\$ 1,442	\$ (4,558)
Other sources	-	-	36,021	36,021
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>37,463</u>	<u>31,463</u>
Expenditures				
Capital outlay	<u>4,182,834</u>	<u>4,182,834</u>	<u>2,207,792</u>	<u>1,975,042</u>
Total expenditures	<u>4,182,834</u>	<u>4,182,834</u>	<u>2,207,792</u>	<u>1,975,042</u>
Deficiency of revenues over expenditures	<u>(4,176,834)</u>	<u>(4,176,834)</u>	<u>(2,170,329)</u>	<u>2,006,505</u>
Other financing sources				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>
Net change in fund balance	(3,676,834)	(3,676,834)	(1,170,329)	<u>\$ 2,506,505</u>
Fund balance - beginning of year	<u>3,677,907</u>	<u>3,677,907</u>	<u>3,677,907</u>	
Fund balance - end of year	<u>\$ 1,073</u>	<u>\$ 1,073</u>	<u>\$ 2,507,578</u>	

#### ***Note to the budgetary presentation***

The Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds includes the Depreciation Reserve fund.

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

### BUDGET AND ACTUAL (BUDGETARY BASIS)

#### CAPITAL CONSTRUCTION FUND - BOND CONSTRUCTION

Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment income	\$ 20,000	\$ 20,000	\$ 16,227	\$ (3,773)
Miscellaneous	50,000	50,000	18,818	(31,182)
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>35,045</u>	<u>(34,955)</u>
Expenditures				
Capital outlay	7,736,712	7,736,712	6,565,971	1,170,741
Total expenditures	<u>7,736,712</u>	<u>7,736,712</u>	<u>6,565,971</u>	<u>1,170,741</u>
Deficiency of revenues over expenditures	(7,666,712)	(7,666,712)	(6,530,926)	<u>\$ 1,135,786</u>
Fund balance - beginning of year	<u>7,669,356</u>	<u>7,669,356</u>	<u>7,669,356</u>	
Fund balance - end of year	<u>\$ 2,644</u>	<u>\$ 2,644</u>	<u>\$ 1,138,430</u>	

***Note to the budgetary presentation***

The Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds includes the Bond Construction fund.

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) CAPITAL CONSTRUCTION FUND - REPAIR AND MAINTENANCE BOND RESERVE Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment				
income	\$ 9,000	\$ 9,000	\$ 5,097	\$ (3,903)
Total revenues	9,000	9,000	5,097	(3,903)
Expenditures				
Capital outlay	100,000	100,000	-	100,000
Total expenditures	100,000	100,000	-	100,000
Excess (deficiency) of revenues over expenditures	(91,000)	(91,000)	5,097	<u>\$ 96,097</u>
Fund balance - beginning of year	850,127	850,127	850,127	
Fund balance - end of year	<u>\$ 759,127</u>	<u>\$ 759,127</u>	<u>\$ 855,224</u>	

***Note to the budgetary presentation***

The Capital Construction fund on the Balance Sheet and Statement of Revenues and Expenditures - Governmental Funds includes the Repair and Maintenance Bond Reserve fund.

**STATISTICAL INFORMATION**  
**(Unaudited)**



**CARBON COUNTY SCHOOL DISTRICT #1**  
**NET POSITION BY COMPONENT**  
**LAST 10 YEARS**  
(Unaudited)

Governmental Activities	2017	2016	2015	2014
Net investment in capital assets	\$ 96,384,010	\$ 74,100,629	\$ 53,630,056	\$ 44,463,386
Restricted	4,242,203	5,175,537	8,012,141	7,632,913
Unrestricted (deficit)	(7,926,751)	(864,557)	(5,587,216)	(8,493,275)
Total primary government net position	<u>\$ 92,699,462</u>	<u>\$ 78,411,609</u>	<u>\$ 56,054,981</u>	<u>\$ 43,603,024</u>

2013	2012	2011	2010	2009	2008
\$ 41,264,012	\$ 41,366,461	\$ 40,984,314	\$ 29,390,149	\$ 16,534,830	\$ 14,430,317
6,981,020	4,651,094	7,347,945	3,472,334	-	-
5,102,202	4,627,054	4,993,212	8,276,318	9,065,827	8,308,713
<u>\$ 53,347,234</u>	<u>\$ 50,644,609</u>	<u>\$ 53,325,471</u>	<u>\$ 41,138,801</u>	<u>\$ 25,600,657</u>	<u>\$ 22,739,030</u>

**CARBON COUNTY SCHOOL DISTRICT #1**  
**CHANGES IN NET POSITION**  
**LAST 10 YEARS**  
(Unaudited)

Expenses	2017	2016	2015	2014
Instructional programs	\$ 17,164,864	\$ 17,421,913	\$ 16,847,953	\$ 16,270,198
Support services				
Pupil transportation	1,785,328	1,688,503	1,580,354	1,324,311
Other support services	16,677,534	12,797,632	13,792,828	11,071,485
BOCHES	-	-	-	-
IBNR claims expense	-	-	-	-
Nutrition services	975,621	922,527	827,393	854,172
Aquatic center	382,883	287,295	282,089	161,907
Interest on long-term debt	834,541	884,775	899,374	887,324
Total expenses	<u>37,820,771</u>	<u>34,002,645</u>	<u>34,229,991</u>	<u>30,569,397</u>
Program revenue				
Charges for services	410,156	380,100	285,739	337,454
Operating grants and contributions	3,303,586	3,233,614	3,217,348	2,687,326
Capital grants	<u>18,730,038</u>	<u>23,770,837</u>	<u>10,377,812</u>	<u>2,682,239</u>
Total program revenues	<u>22,443,780</u>	<u>27,384,551</u>	<u>13,880,899</u>	<u>5,707,019</u>
General Revenues				
Taxes	29,486,096	31,193,908	30,839,762	29,209,217
Investments	45,236	53,550	70,411	75,330
Recapture	-	(1,598,040)	(54,890)	(1,449,547)
Insurance recovery	-	110,698	725,250	-
Miscellaneous	<u>279,762</u>	<u>67,260</u>	<u>224,224</u>	<u>(8,793)</u>
Total revenues	<u>52,254,874</u>	<u>57,211,927</u>	<u>45,685,656</u>	<u>33,533,226</u>
Changes in net position	<u>\$ 14,434,103</u>	<u>\$ 23,209,282</u>	<u>\$ 11,455,665</u>	<u>\$ 2,963,829</u>

2013	2012	2011	2010	2009	2008
\$ 17,288,797	\$ 17,486,377	\$ 16,765,568	\$ 16,355,136	\$ 13,695,178	\$ 11,669,817
1,355,030	1,301,515	1,162,602	1,069,416	1,247,277	1,249,827
10,910,251	11,676,364	12,118,677	9,074,607	9,100,576	8,499,619
-	2,934,382	2,824,583	2,737,299	2,746,942	2,698,414
-	350,446	-	-	-	-
802,959	803,904	747,581	737,048	671,628	634,728
-	-	-	-	-	-
953,469	41,760	25,172	28,414	16,324	18,609
31,310,506	34,594,748	33,644,183	30,001,920	27,477,925	24,771,014
305,276	674,716	655,859	679,486	742,499	792,177
2,939,298	3,960,845	4,074,920	3,694,212	2,954,095	2,434,756
1,122,270	970,573	12,630,341	12,817,780	-	-
4,366,844	5,606,134	17,361,120	17,191,478	3,696,594	3,226,933
35,521,556	34,348,744	29,057,277	45,521,368	34,716,336	36,020,500
30,580	41,854	53,801	101,835	119,043	215,601
(5,217,195)	(5,268,576)	(708,299)	(17,259,281)	(8,135,913)	(8,425,945)
-	-	-	-	-	-
392,315	162,363	32,291	16,960	(12,666)	92,768
35,094,100	34,890,519	45,796,190	45,572,360	30,383,394	31,129,857
\$ 3,783,594	\$ 295,771	\$ 12,152,007	\$ 15,570,440	\$ 2,905,469	\$ 6,358,843

**CARBON COUNTY SCHOOL DISTRICT #1**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST 10 YEARS**  
(Unaudited)

	2017	2016	2015	2014
General Fund				
Unspendable	\$ 114,074	\$ 105,441	\$ 100,917	\$ 29,679
Restricted	-	-	60,000	60,000
Unassigned	5,064,027	4,718,491	4,693,537	3,690,322
	<u>5,064,027</u>	<u>4,718,491</u>	<u>4,693,537</u>	<u>3,690,322</u>
Total General Fund	<u>\$ 5,178,101</u>	<u>\$ 4,823,932</u>	<u>\$ 4,854,454</u>	<u>\$ 3,780,001</u>
All Other Governmental Funds				
Restricted				
Major maintenance	\$ 1,442,016	\$ 2,661,136	\$ 2,328,995	\$ 2,040,501
Buildings and equipment	2,491,073	3,704,950	3,496,180	4,675,817
Bond - capital construction	1,911,502	1,640,880	1,254,439	-
Bond covenants	855,225	850,128	849,917	841,988
Donors	33,460	23,393	22,610	14,607
Debt service	930,125	6,678,576	15,766,139	19,621,956
BOCHES	-	-	-	-
Committed				
Capital construction	168,585	292,482	991,545	344,478
	<u>168,585</u>	<u>292,482</u>	<u>991,545</u>	<u>344,478</u>
Total all other governmental funds	<u>\$ 7,831,986</u>	<u>\$ 15,851,545</u>	<u>\$ 24,709,825</u>	<u>\$ 27,539,347</u>

2013	2012	2011	2010	2009	2008
\$ 30,270	\$ 26,076	\$ 55,226	\$ 58,892	\$ 41,269	\$ 33,840
60,000	120,000	-	1,404,486	-	-
5,089,356	5,148,385	4,966,604	2,972,790	4,172,576	4,582,897
<u>\$ 5,179,626</u>	<u>\$ 5,294,461</u>	<u>\$ 5,021,830</u>	<u>\$ 4,436,168</u>	<u>\$ 4,213,845</u>	<u>\$ 4,616,737</u>
\$ 1,564,524	\$ 1,101,928	\$ 1,011,721	\$ 744,292	\$ 694,056	\$ 1,116,574
4,465,994	2,765,654	2,753,839	2,728,042	1,600,000	-
-	-	-	-	-	-
838,759	27,516,850	-	-	-	-
51,743	52,505	42,961	(11,268)	27,053	86,102
24,949,992	-	-	-	-	-
-	3,611,007	3,582,385	3,869,084	2,651,551	2,466,255
663,679	4,293	133,041	132,960	139,822	147,225
<u>\$ 32,534,691</u>	<u>\$ 35,052,237</u>	<u>\$ 7,523,947</u>	<u>\$ 7,463,110</u>	<u>\$ 5,112,482</u>	<u>\$ 3,816,156</u>

**CARBON COUNTY SCHOOL DISTRICT #1**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST 10 YEARS**  
(Unaudited)

	2017	2016	2015	2014
<b>Revenues</b>				
Taxes	\$ 20,354,439	\$ 28,767,237	\$ 27,595,644	\$ 27,380,134
Intergovernmental revenues	30,554,608	27,364,964	16,001,340	6,626,215
Charges for services	146,181	152,303	56,003	83,668
Investment income	45,051	53,275	70,240	75,073
Miscellaneous	260,627	104,826	211,293	216,832
Public contributions	-	-	-	-
Repayment to State Foundation	-	-	-	-
Recapture tax payment	-	(1,598,040)	(54,890)	(1,449,547)
Total revenues	<u>51,360,906</u>	<u>54,844,565</u>	<u>43,879,630</u>	<u>32,932,375</u>
<b>Expenditures</b>				
Instruction	15,995,257	15,870,771	15,853,143	15,837,872
Support services	21,208,310	21,668,230	16,117,905	19,592,496
Facilities acquisition and construction	19,635,336	23,386,282	12,076,957	1,655,969
Debt service				
Principal	1,621,754	1,586,120	1,560,503	1,232,969
Interest	900,584	982,662	997,261	985,190
Total expenditures	<u>59,361,241</u>	<u>63,494,065</u>	<u>46,605,769</u>	<u>39,304,496</u>
Excess (deficiency) of revenues over expenditures	<u>(8,000,335)</u>	<u>(8,649,500)</u>	<u>(2,726,139)</u>	<u>(6,372,121)</u>
<b>Other financing sources (uses)</b>				
Transfers in	1,034,296	200,000	172,343	62,555
Transfers out	(1,600,000)	(550,000)	(622,343)	(341,259)
Insurance recovery	-	110,698	725,250	-
Proceeds from sale of assets	195,645	-	184,122	-
Proceeds from bond issuance	-	-	-	-
Proceeds from bond premium	-	-	-	-
Proceeds from lease purchase obligations	705,004	-	511,698	255,856
Total other financing sources (uses)	<u>334,945</u>	<u>(239,302)</u>	<u>971,070</u>	<u>(22,848)</u>
Net changes in fund balances	<u>(7,665,390)</u>	<u>(8,888,802)</u>	<u>(1,755,069)</u>	<u>(6,394,969)</u>
<b>Fund balance</b>				
Beginning of year	20,675,477	29,564,279	31,319,348	37,714,317
Prior period adjustment	-	-	-	-
Beginning of year, as restated	<u>20,675,477</u>	<u>29,564,279</u>	<u>31,319,348</u>	<u>37,714,317</u>
End of year	<u>\$ 13,010,087</u>	<u>\$ 20,675,477</u>	<u>\$ 29,564,279</u>	<u>\$ 31,319,348</u>

2013	2012	2011	2010	2009	2008
\$ 32,463,713	\$ 32,090,098	\$ 26,453,598	\$ 43,720,800	\$ 32,681,790	\$ 31,861,617
6,717,793	6,438,873	18,957,325	17,760,655	5,915,332	7,333,440
47,078	403,431	390,845	416,481	460,550	470,220
30,393	41,509	53,078	100,900	118,149	214,071
132,543	483,136	29,844	22,032	20,683	94,482
-	145,000	5,000	-	-	-
-	-	(29,924)	-	(54,878)	(31,648)
(5,217,195)	(5,268,576)	(708,299)	(17,259,281)	(8,135,913)	(8,425,945)
34,174,325	34,333,471	45,151,467	44,761,587	31,005,713	31,516,237
16,574,141	17,972,732	17,404,217	15,956,965	15,192,569	13,399,286
13,924,126	15,825,743	14,236,773	13,581,537	14,051,794	12,310,094
652,322	999,401	12,630,260	12,856,190	931,154	2,820,415
743,756	268,442	154,883	152,192	199,948	254,281
1,051,355	51,462	26,071	28,612	17,102	19,913
32,945,700	35,117,780	44,452,204	42,575,496	30,392,567	28,803,989
1,228,625	(784,309)	699,263	2,186,091	613,146	2,712,248
931,578	188,059	81,547	1,100,000	1,600,000	85,568
(1,181,578)	(338,059)	(171,547)	(1,180,000)	(1,640,000)	(155,568)
-	-	-	-	-	-
-	28,519	-	-	-	-
-	26,500,000	-	-	-	-
-	1,664,073	-	-	-	-
-	542,638	37,236	466,860	320,288	-
(250,000)	28,585,230	(52,764)	386,860	280,288	(70,000)
978,625	27,800,921	646,499	2,572,951	893,434	2,642,248
40,346,698	12,545,777	11,899,278	9,326,327	8,432,893	5,790,645
(3,611,006)	-	-	-	-	-
36,735,692	12,545,777	11,899,278	9,326,327	8,432,893	5,790,645
\$ 37,714,317	\$ 40,346,698	\$ 12,545,777	\$ 11,899,278	\$ 9,326,327	\$ 8,432,893



**CARBON COUNTY SCHOOL DISTRICT #1**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
(Unaudited)

Year	Estimated Population	Per Capita Personal Income	Percent Growth Personal Income	Total County Estimated Personal Income (1)	10 year Percent change in Total Personal Income
2002	15,256	\$ 26,128	2.5	\$ 398,614	2.7
2003	15,240	27,847	6.6	424,393	6.5
2004	15,236	29,178	4.8	444,563	4.8
2005	15,077	32,854	12.6	495,338	11.4
2006	15,136	36,836	12.1	557,544	12.6
2007	15,494	39,468	7.1	611,521	9.7
2008	15,658	43,168	9.4	675,917	10.5
2009	15,977	36,881	(17.0)	589,253	(14.7)
2010	15,837	37,972	(3.0)	601,356	(2.1)
2011	15,824	42,899	13.0	678,841	12.9
2012	15,681	45,004	4.9	705,710	4.0
2013	15,799	45,867	2.0	724,654	2.7
2014	15,829	48,405	4.6	766,201	5.7
2015	15,554	49,672	3.7	772,603	0.8
2016	15,618	49,195	(1.0)	768,329	(0.55)
2017	*	*	*	*	*

(1) Total personal income estimates are in thousands of dollars,  
not adjusted for inflation

Source: US Department of Commerce Bureau of Economic Analysis  
Wyoming Department of Administration and Information

\* Information not available

**CARBON COUNTY SCHOOL DISTRICT #1**  
**CAPITAL ASSET FACILITIES INFORMATION**

As of June 30, 2017

(Unaudited)

Building	Year of Original Construction	Square Footage	Enrollment 10/2016	Average Age of Building (in years)
<b>Elementary Schools</b>				
Sinclair	1936	10,855	-	81
Rawlins Elementary K-1 (Highland Hills)	1982	36,879	283	35
Rawlins Elementary K2-5	2011	94,795	547	6
Total		142,529		
<b>Middle Schools</b>				
Rawlins Middle School	1978	97,523	339	39
Total		97,523		
<b>High Schools</b>				
Rawlins High School	1957/2016*	138,884	432	59 / 1*
Total		138,884		
<b>K-12 Building</b>				
Little Snake River	1972	59,004	188	45
Total		59,004		
<b>Other Buildings</b>				
Administrative Office and COOP High School	1950	28,369	40	67
Custodian Storage	1957	3,864		60
Maintenance Facility	1978 / 2002	8,189		39 / 15
Stadium	1982	23,659		35
Bus Garage Baggs	1980	4,580		37
Track Storage Baggs	1987	1,772		30
Higher Education Building	2014	27,849		3
After School Building	2015	7,256		2
Bus Garage Rawlins	2017	16,686		1
Teacherages - Baggs	2017	5,600		1
Modular	2017	1,440		1
Total		129,264		

**CARBON COUNTY SCHOOL DISTRICT #1**  
**OPERATIONAL STATISTICS**  
**LAST 10 YEARS**  
(Unaudited)

Year Ended June 30	Students (1)	General Fund Operational Costs	General Fund Per Student Operational Costs	Nutritional Services Program	
				Breakfast	Free or Reduced
2008	1815	\$ 20,323,183	\$ 11,197	11,703	15,469
2009	1787	22,350,690	12,507	7,566	11,173
2010	1803	22,829,775	12,662	7,588	18,217
2011	1822	24,844,290	13,636	5,338	11,056
2012	1814	25,855,834	14,253	9,784	22,768
2013	1866	26,168,909	14,024	12,813	25,199
2014	1876	26,196,883	13,964	8,229	20,586
2015	1832	25,585,948	13,966	6,946	14,974
2016	1899	25,471,244	14,114	9,588	20,407
2017	1831	26,802,902	14,638	9,919	24,090

(1) Fall Enrollment

Source: Wyoming Department of Education and Carbon County School District #1 records

Nutritional Services Program				
Lunch				
Paid	Free or Reduced	Total Meals	Students Free and Reduced	Percent of Total Enrollment
119,509	69,714	216,395	550	31
102,472	79,006	200,217	550	31
94,968	90,379	211,152	718	40
93,498	90,428	200,320	680	37
83,689	75,581	191,822	636	35
81,914	72,920	192,846	586	31
73,837	75,474	178,126	635	34
65,903	66,054	153,877	712	39
64,362	74,313	168,670	733	39
56,001	64,292	154,302	743	41

**CARBON COUNTY SCHOOL DISTRICT #1**  
**OPERATIONAL STATISTICS (CONTINUED)**  
**LAST 10 YEARS**  
(Unaudited)

Student Transportation

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Year Ended June 30	Total Buses	Total Miles	Students Transported Daily	Percent of Students (ADM) Transported
2008	39	259,889	742	41.33
2009	39	234,510	741	41.06
2010	39	289,749	676	37.74
2011	39	309,793	791	43.29
2012	39	317,749	930	51.90
2013	39	310,936	936	51.03
2014	39	273,157	965	52.07
2015	39	223,593	743	41.07
2016	39	298,122	845	45.81
2017	39	300,242	994	54.29

(1) Fall Enrollment

Source: Wyoming Department of Education and Carbon County School District #1

**CARBON COUNTY SCHOOL DISTRICT #1**  
**MILL LEVY HISTORY**  
**TAX YEARS 2012 - 2017**  
(Unaudited)

	Tax Year	2012	2013	2014	2015	2016	2017
	Fiscal Year	2013	2014	2015	2016	2017	2018
County 6 Mill School		6.000	6.000	6.000	6.000	6.000	6.000
General County		12.000	12.000	12.000	12.000	12.000	12.000
County Wide Weed & Pest District		0.957	0.957	1.000	1.000	1.000	1.000
State Foundation Program		12.000	12.000	12.000	12.000	12.000	12.000
State/County Total		30.957	30.957	31.000	31.000	31.000	31.000
K-12 Education Mills							
School District No. 1							
School Rec. Levy		1.000	1.000	1.000	1.000	1.000	1.000
25-Mill Mandatory Levy		25.000	25.000	25.000	25.000	25.000	25.000
School District Bonds and Interest		2.450	2.450	2.450	2.950	4.200	4.200
Adult Education		1.500	1.500	1.500	1.500	1.500	1.500
BOCHES		1.000	1.000	1.000	1.000	1.000	1.000
District Total		30.950	30.950	30.950	31.450	32.700	32.700
Mills Levied County-wide							
		61.907	61.907	61.950	62.450	63.700	63.700
Total Mills - Rawlins		69.907	69.907	69.950	70.450	70.450	70.450
Total Mills - Sinclair		69.907	69.907	69.950	70.450	70.450	70.450
Total Mills - Baggs		69.907	69.907	69.950	70.450	70.450	70.450
Total Mills - Dixon		69.907	69.907	69.950	70.450	70.450	70.450

Note: Each of the municipalities levies 8.00 mills for general operations.

Source: Wyoming Property Taxation Guide, Wyoming Taxpayers Association, Carbon County Assessor

**CARBON COUNTY SCHOOL DISTRICT #1**  
**TAX COLLECTIONS - CARBON COUNTY**  
**TAX YEARS 2008 - 2017**  
(Unaudited)

<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections</u>	<u>Percentage of Taxes Collected</u>
2017	\$ 25,704,254	\$ 25,703,039	100.00%
2016	17,403,514	9,448,875	54.29%
2015	25,343,267	10,967,259	43.27%
2014	22,425,463	22,004,298	98.12%
2013	21,972,406	21,934,482	99.83%
2012	26,557,789	26,533,602	99.91%
2011	25,845,705	25,829,452	99.94%
2010	21,349,839	21,345,287	99.98%
2009	35,849,159	35,847,497	100.00%
2008	25,704,254	25,702,779	99.99%

*Source: Carbon County Treasurer*

The above information represents total taxes and collections for all entities in Carbon County

**CARBON COUNTY SCHOOL DISTRICT #1**  
**PROPERTY TAX COLLECTIONS - SWEETWATER COUNTY**  
**TAX YEARS 2013 - 2017**  
(Unaudited)

TAX YEAR	AS LEVIED	COLLECTIONS & ADJUSTMENTS	BALANCE UNPAID	%	ASSESSED VALUATION
2017					49,904,813
25 Mill	\$ 1,247,559.00	\$ 621,995.24	\$ 625,563.48	50.0000%	
Recreation	49,902.02	24,879.68	25,022.34	50.0000%	
Adult Ed	74,853.50	37,319.69	37,533.81	50.0000%	
BOCES	49,902.74	24,879.95	25,022.79	50.0000%	
6 Mill (SD1C Share)	10,320.88	5,038.33	5,282.55	49.0000%	
	<u>1,432,538.14</u>	<u>714,112.89</u>	<u>718,424.97</u>	49.8495%	
2016					69,638,832
25 Mill	1,740,911.94	1,733,408.38	7,503.56	99.5690%	
Recreation	69,636.12	69,336.19	299.93	99.5693%	
Adult Ed	104,454.70	104,004.50	450.20	99.5690%	
BOCES	69,636.84	69,336.57	300.27	99.5688%	
6 Mill (SD1C Share)	8,260.94	4,323.44	3,937.50	52.3359%	
	<u>1,992,900.54</u>	<u>1,980,409.08</u>	<u>12,491.46</u>	99.3732%	
2015					139,588,617
25 Mill	3,489,715.43	3,487,134.32	2,581.11	99.9260%	
Recreation	139,589.00	139,358.18	230.82	99.8346%	
Adult Ed	209,383.00	209,036.59	346.41	99.8346%	
BOCES	139,588.00	139,356.89	231.11	99.8344%	
Bond Redemption	411,786.00	411,786.00	-	100.0000%	
6 Mill (SD1C Share)	28,101.59	18,187.86	9,913.73	64.7218%	
	<u>4,418,163.02</u>	<u>4,404,859.84</u>	<u>13,303.18</u>	99.6989%	
2014					159,019,562
25 Mill	3,975,489.00	3,975,134.41	354.59	99.9911%	
Recreation	159,020.00	159,277.01	(207.01)	100.1302%	
Adult Ed	238,529.00	238,839.77	(310.77)	100.1303%	
BOCES	159,020.00	159,244.88	(224.88)	100.1414%	
Bond Redemption	389,598.00	390,147.27	(549.27)	100.1410%	
6 Mill (SD1C Share)	26,849.86	27,127.80	(277.94)	101.0352%	
	<u>4,948,505.86</u>	<u>4,949,771.14</u>	<u>(1,215.28)</u>	100.0246%	
2013					173,117,688
25 Mill	4,327,942.00	4,327,902.51	39.72	99.9991%	
Recreation	173,118.00	173,115.78	1.60	99.9991%	
Adult Ed	259,677.00	259,674.11	2.38	99.9991%	
BOCES	173,118.00	173,116.53	1.60	99.9991%	
Bond Redemption	424,138.00	424,134.11	3.88	99.9991%	
6 Mill (SD1C Share)	24,042.68	61.01	50.81	99.7887%	
	<u>5,382,035.68</u>	<u>5,358,004.05</u>	<u>99.99</u>	99.9981%	



**CARBON COUNTY SCHOOL DISTRICT #1**  
**SCHOOL TAX LEVIES**  
**LAST 10 YEARS**  
(Unaudited)

Year Ended June 30	State School Foundation	Mandatory County	Operating	Bond and Interest	BOCHES	Vocational and Adult
2008	12.000	6.000	25.000	0.000	1.000	1.500
2009	12.000	6.000	25.000	0.000	1.000	1.500
2010	12.000	6.000	25.000	0.000	1.000	1.500
2011	12.000	6.000	25.000	0.000	1.000	1.500
2012	12.000	6.000	25.000	2.450	1.000	1.500
2013	12.000	6.000	25.000	2.450	1.000	1.500
2014	12.000	6.000	25.000	2.450	1.000	1.500
2015	12.000	6.000	25.000	2.950	1.000	1.500
2016	12.000	6.000	25.000	4.200	1.000	1.500
2017	12.000	6.000	25.000	4.200	1.000	1.500

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office.

Recreation	Total
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	48.950
1.000	48.950
1.000	48.950
1.000	49.450
1.000	50.700
1.000	50.700

**CARBON COUNTY SCHOOL DISTRICT #1**  
**BONDED INDEBTEDNESS**  
**LAST 10 YEARS**  
(Unaudited)

Year Ended June 30	Assessed Valuation	Debt	Amount Approved	Bonds Issued	Refunding Issued	Bonds Refunded
2008	\$ 976,170,512	\$ -	\$ -	\$ -	\$ -	\$ -
2009	1,267,346,637	-	-	-	-	-
2010	766,843,510	-	-	-	-	-
2011	930,128,120	-	-	-	-	-
2012	947,268,208	26,500,000	26,500,000	26,500,000	-	-
2013	796,683,212	26,025,000	-	-	-	-
2014	795,764,592	25,055,000	-	-	-	-
2015	850,836,909	23,745,000	-	-	-	-
2016	536,484,666	22,420,000	-	-	-	-
2017	486,984,085	21,080,000	-	-	-	-

(1) Percent of capacity does not take county treasurer's cash balances into account.

District can be bonded to 10% of assessed valuation.

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office.

Principal Paid	Interest Paid	Debt 6/30	% of Capacity Obligated (1)
\$ -	\$ -	\$ -	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	26,500,000	2.80%
475,000	972,473	26,025,000	3.27%
970,000	931,199	25,055,000	3.15%
1,310,000	902,099	23,745,000	2.79%
1,325,000	888,999	22,420,000	4.18%
1,340,000	872,436	21,080,000	4.33%

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**CARBON COUNTY SCHOOL DISTRICT #1**  
**HISTORICAL ASSESSED VALUATIONS**  
**LAST 20 YEARS**  
(Unaudited)

Year Ended June 30	Assessed Valuation	Percent Increase (Decrease)
1998	\$ 319,890,530	0.06
1999	251,745,345	-0.21
2000	290,730,277	0.15
2001	538,717,857	0.85
2002	502,358,573	-0.07
2003	361,253,785	-0.28
2004	549,273,641	0.52
2005	687,871,624	0.25
2006	951,619,394	0.38
2007	956,032,175	0
2008	976,170,512	0.02
2009	1,267,346,637	0.3
2010	766,843,510	-0.39
2011	930,128,120	0.21
2012	947,268,208	0.018
2013	796,683,212	-0.159
2014	795,764,592	-0.001
2015	850,836,909	0.069
2016	536,484,666	-0.369
2017	486,984,085	-0.090

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office.

**CARBON COUNTY SCHOOL DISTRICT #1**  
**DETAIL OF CARBON COUNTY ASSESSED VALUATION**  
**LAST 10 YEARS**  
(Unaudited)

Year Ended June 30	Agricultural Lands & Improvements	Commercial Lands & Improvements	Residential Lands & Improvements	Total Real Property	Mineral Production	
					Coal	Natural Gas
2008	\$ 8,404,925	\$ 14,365,703	\$ 77,381,140	\$ 100,151,768	\$ 3,811,351	\$ 530,169,868
2009	8,689,890	17,647,288	80,585,225	106,922,403	6,749,862	744,469,866
2010	9,491,328	18,859,877	79,638,056	107,989,261	6,987,193	368,885,934
2011	10,270,109	19,760,603	81,412,747	111,443,459	2,352,305	482,176,186
2012	10,722,162	26,433,356	83,837,304	120,992,822	*	434,012,189
2013	11,544,187	20,765,727	88,603,820	120,913,734	*	287,277,378
2014	14,003,633	21,094,452	91,848,038	126,946,123	380,560	*
2015	14,672,573	22,355,786	95,348,815	132,377,174	317,845	*
2016	17,820,918	24,801,460	98,183,993	140,806,371	-	175,772,285
2017	15,123,443	31,459,560	103,373,597	149,956,600	-	145,402,089

Source: Wyoming Department of Education, Carbon and Sweetwater Counties' Assessors Office,  
State Board of Equalization

\* Information not available.

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Mineral Production

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Oil	Miscellaneous Minerals	Total Minerals
\$ 89,901,463	\$ 1,653,617	\$ 625,536,299
117,613,768	1,978,534	870,812,030
81,478,110	2,236,137	459,587,374
96,743,708	1,866,732	583,138,931
96,736,758	1,100,664	531,849,611
104,623,532	2,169,068	394,069,978
*	*	*
*	*	*
108,524,465	1,105,566	285,402,316
42,097,378	1,083,088	188,582,555



**CARBON COUNTY SCHOOL DISTRICT #1**  
**HISTORICAL ENROLLMENT**  
**LAST 20 YEARS**  
(Unaudited)

Year as of 10/1	Students (1)	Percent Increase (Decrease)	Year as of 10/1	Students (1)	Percent Increase (Decrease)
1998	1992	(0.04)	2008	1787	0.02
1999	1965	(0.01)	2009	1803	0.01
2000	1946	(0.01)	2010	1822	0.01
2001	1923	(0.01)	2011	1814	0.00
2002	1778	(0.08)	2012	1866	0.03
2003	1728	(0.03)	2013	1876	0.01
2004	1664	(0.04)	2014	1832	(0.02)
2005	1727	0.04	2015	1889	0.03
2006	1753	0.02	2016	1832	(0.03)
2007	1753	0.00	2017	1772	(0.03)

(1) Fall Enrollment

Source: Wyoming Department of Education

**CARBON COUNTY SCHOOL DISTRICT #1**  
**AVERAGE STUDENT TO TEACHER RATIO**  
**LAST 10 YEARS**  
(Unaudited)

Year as of 10/1	Students (1)	Full-Time Equivalent Teaching Staff	Ratio of Students to Teaching Staff
2008	1815	148	12.26 : 1
2009	1803	153	11.78 : 1
2010	1822	157	11.61 : 1
2011	1814	154	11.78 : 1
2012	1866	160	11.66 : 1
2013	1876	160	11.73 : 1
2014	1832	158	11.59 : 1
2015	1889	153	12.35 : 1
2016	1832	153	11.97 : 1
2017	1772	146	12.14 : 1

(1) Fall Enrollment

Source: Wyoming Department of Education

**CARBON COUNTY SCHOOL DISTRICT #1**  
**VALUATION DOLLARS PER AVERAGE DAILY MEMBERSHIP (ADM)**  
**LAST 10 YEARS**  
(Unaudited)

Year Ended June 30	ADM	Valuation \$ per ADM
2008	1795	543,728
2009	1805	702,310
2010	1791	428,148
2011	1827	509,891
2012	1792	528,609
2013	1834	434,397
2014	1861	427,601
2015	1835	463,671
2016	1864	287,814
2017	1837	265,097

Source: Wyoming Department of Education  
ADM - 3 year rolling average from WED-100 report

**CARBON COUNTY SCHOOL DISTRICT #1**  
**STAFFING FULL TIME EQUIVALENT (FTE)**  
**LAST 10 YEARS**  
(Unaudited)

Year as of 10/1	Teachers	Instructional Aids	Instructional Support Staff	General Support Staff	Total FTE
2008	152.80	43.95	30.99	76.56	304.30
2009	156.90	52.43	30.49	83.86	323.68
2010	154.40	57.38	35.56	85.26	332.60
2011	159.72	64.87	29.55	92.23	346.37
2012	160.37	69.20	25.47	92.18	347.22
2013	157.97	68.38	24.88	93.91	345.14
2014	152.69	56.73	20.05	94.99	324.46
2015	152.60	57.01	18.98	94.12	322.71
2016	145.50	56.13	19.09	90.88	311.60
2017	131.50	64.30	43.60	104.00	343.40

Source: Wyoming Department of Education

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## **SINGLE AUDIT SECTION**

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# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass - through Entity Identifying Number	Federal CFDA Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through Wyoming Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	-	10.553	-	\$ 58,004
National School Lunch Program	-	10.555	-	265,449
National School Lunch Program - USDA				
Commodities	-	10.555	-	54,289
Summer Food Service Program for Children	-	10.559	-	7,627
Total Child Nutrition Cluster				<u>385,369</u>
Total U.S. Department of Agriculture				<u>385,369</u>
National Endowment for the Arts				
Passed through the Wyoming Arts Council				
Promotion of the Arts - Partnership Agreements	-	45.025	-	700
Total National Endowment for the Arts				<u>700</u>
U.S. Department of Education				
Passed Through Wyoming Department of Education				
Title I Grants to Local Educational Agencies	1604016T1A00	84.010A	-	121,017
Title I Grants to Local Educational Agencies	1704017T1A00	84.010A	-	540,210
Title I Grants to Local Educational Agencies	150401553AIA0	84.010A	-	27,309
Title I Grants to Local Educational Agencies	16040163AIA0	84.010A	-	113,224
Title I Grants to Local Educational Agencies	17040173AIA0	84.010A	-	41,743
Total Title I Grants to Local Educational Agencies				<u>843,503</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	1604016T6100	84.027A	-	1,747
Special Education - Grants to States	1704017T6100	84.027A	-	505,677
				<u>507,424</u>
Special Education - Preschool Grants	1504015T6900	84.173A	-	3,716
Special Education - Preschool Grants	1604016T6900	84.173A	-	7,727
Special Education - Preschool Grants	1704017T6900	84.173A	-	2,362
				<u>13,805</u>
Total Special Education Cluster (IDEA)				<u>521,229</u>
Career and Technical Education - Basic Grants to States	1704017PS00	84.048A	-	49,062
Total Career and Technical Education - Basic Grants to States				<u>49,062</u>
English Language Acquisition State Grants	1604016T3E00	84.365A	-	9,943
Total English Language Acquisition State Grants				<u>9,943</u>
Supporting Effective Instruction State Grant	1504015T2A00	84.367A	-	391
Supporting Effective Instruction State Grant	1604016T2A00	84.367A	-	142,175
Total Supporting Effective Instruction State Grant				<u>142,566</u>
School Improvement Grants	15040143GIAO	84.377	-	77,916
Total School Improvement Grants				<u>77,916</u>
Total U.S. Department of Education				<u>1,644,219</u>
Total Expenditures of Federal Awards				<u>\$ 2,030,288</u>

See notes to the schedule of expenditures of federal awards



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## **CARBON COUNTY SCHOOL DISTRICT #1**

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2017

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards, "the Schedule", includes the Federal grant activity of Carbon County School District #1 under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Carbon County School District #1, it is not intended to and does not present the financial position, change in net assets, or cash flows of Carbon County School District #1.

#### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Office of Management and Budget Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments* or the Uniform Guidance, as applicable, wherein certain types of expenditure are not allowable or are limited as to reimbursement. Food commodities are reported when distributed. Negative amounts shown on the Schedule represent adjustment or credit made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3. Indirect Cost Rate**

Carbon County School District #1 has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**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**

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Superintendent and Members  
of the Board of Trustees  
Carbon County School District #1  
Rawlins, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements, and have issued our report thereon dated December 15, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carbon County School District #1'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 Carbon County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County School District #1'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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002, that we consider to be material weaknesses.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Carbon County School District #1'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*.

## **Carbon County School District #1's Response to Findings**

Carbon County School District #1's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Carbon County School District #1'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.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming  
December 15, 2017



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE

INDEPENDENT AUDITOR'S REPORT

To the Honorable Superintendent and Members  
of the Board of Trustees  
Carbon County School District # 1  
Rawlins, Wyoming

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

We have audited Carbon County School District #1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Carbon County School District #1's major federal program for the year ended June 30, 2017. Carbon County School District #1's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance on Carbon County School District #1's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Carbon County School District #1'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 qualified opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Carbon County School District #1's compliance.

### ***Basis for Qualified Opinion on CFDA 84.010A – Title I Grants to Local Education Agencies***

As described in the accompanying schedule of findings and questioned costs, Carbon County School District #1 did not comply with requirements regarding CFDA 84.010 – Title I Grants to Local Education Agencies as described in finding number 2017-003 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Carbon County School District #1 to comply with the requirements applicable to that program.

### ***Qualified Opinion on CFDA 84.010A – Title I Grants to Local Education Agencies***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Carbon County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.010 – Title I Grants to Local Education Agencies for the year ended June 30, 2017.

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

Management of Carbon County School District #1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Carbon County School District #1's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Carbon County School District #1's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-003 that we consider to be a material weakness.

Carbon County School District #1's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. Carbon County School District #1's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming  
December 15, 2017



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**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2017

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

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***Financial Statements***

Type of auditor’s report issued on whether the financial statements  
audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major federal programs:

Material weaknesses identified? Yes

Significant deficiencies identified? None reported

Type of auditor’s report issued on compliance for major federal programs: Qualified

Any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010A	Title I Grants to Local Educational Agencies

Dollar threshold used to distinguish between  
type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes

# **CARBON COUNTY SCHOOL DISTRICT #1**

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Year Ended June 30, 2017

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### **SECTION II – FINANCIAL STATEMENT FINDINGS**

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#### **Material Weakness**

**2017-001**

##### ***Criteria***

The Government Accountability Office requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with GAAP.

##### ***Condition***

The District does not prepare financial statements in accordance with GAAP.

##### ***Cause***

The District regularly prepares budgetary basis financial reports. However, the District's budgetary basis differs significantly from GAAP. In our judgment, the District's accounting personnel lack the knowledge and experience to prepare accurate GAAP basis financial statements and related footnotes.

##### ***Effect***

The completeness of the financial statement disclosures and accuracy of the overall financial statement presentation would be enhanced if the District's management and Board had a broad understanding of governmental accounting standards. With limited understanding, the financial statements may include undetected errors and irregularities or omit information which is important to the readers of the financial statements.

##### ***Recommendation***

We recommend the financial staff attend training to enhance their understanding of governmental GAAP basis financials reporting and disclosures. Additionally, the District should continue reviewing the annual financial report prepared by the auditor. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report. The District may consider and implement additional internal control procedures to ensure the accuracy or preparation of financial records and annual financial statements.

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

The District will attend trainings to better prepare financial records for annual audits. The Business Office staff will continue to review and prepare financial reports as required for annual audits. Staff will review and modify procedures as needed in order to meet the requirements for GAAP financial statements. Please refer to the District's corrective action plan.

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2017

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### SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

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#### Material Weakness

2017-002

##### *Criteria*

Generally accepted accounting principles require capital assets to be reported at cost, net of accumulated depreciation in the statement of net position.

##### *Condition*

The capital asset schedule prepared for financial statement reporting contained a number of errors.

##### *Context*

1. The beginning balances on the capital asset summary included assets that were disposed of in the prior year with a net book value of approximately \$18,000.
2. Assets that were constructed by the District were added to the capital asset summary at the contract value rather than the District's cost of constructing the assets. The difference in the cost was approximately \$57,000.
3. There were thirteen capital assets that were improperly identified and/or capitalized. The total cost of these capital assets was approximately \$183,000. A number of these assets were equipment which were properly identified as capital assets that met the capitalization threshold. However, the assets were included in the cost of the constructed buildings rather than as individual equipment items, resulting in an incorrect useful life for the equipment. Due to this error, depreciation expense was incorrectly calculated by approximately \$9,000.
4. There were four additional capital asset additions that were capitalized with an incorrect useful life. This resulted in an error in current year depreciation expenses of approximately \$300,000.
5. An additional year of depreciation was inadvertently included in the beginning accumulated depreciation balances for 16 assets. The beginning accumulated depreciation balance was incorrectly calculated by approximately \$112,500.
6. The proceeds from the sale of assets had been appropriately recorded. However, it was unclear if the assets that were sold had been removed from the capital asset summary.

##### *Effect*

Capital assets and depreciation were incorrectly reported. The lack of review of capital assets significantly increases the chance of an undetected error or irregularity.

##### *Cause*

Inadequate training was provided to ensure that the District's capital asset software was used correctly and the District's capitalization policy was appropriately applied. Additionally, the capital asset summary was not reviewed by another individual in the business office.

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Year Ended June 30, 2017

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

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**2017-002 (Continued)**

***Recommendation***

The District should provide additional training to the individuals that are responsible for the capital asset summary. The training should include a detailed explanation of the process necessary to add or dispose of assets within the capital asset software and how to properly use the system to calculate depreciation. The training should also focus on approaches for identifying assets additions and disposals and the aspects of District's capitalization policy. The capital asset summary should be reviewed by the Business Manager for accuracy.

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

The District will review the procedures for entering and maintaining the capital assets database. Please refer to the District's corrective action plan.

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2017

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### SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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**2017-003**

**Material Weakness**

**Material Noncompliance**

U. S. Department of Education

Passed through the State of Wyoming Department of Education

84.010A – Title I Grants to Local Education Agencies

Pass Through Entity Identifying Numbers: 1604016T1A00

1704017T1A00

150401553AIA0

16040163AIA0

17040173AIA0

***Criteria***

***Eligibility for Group of Individuals or Area of Service Delivery***

The Compliance Supplement indicates that an LEA must determine which school attendance areas are eligible to participate in Part A. A school attendance area is generally eligible to participate if the percentage of children from low-income families is at least as high as the percentage of children from low-income families in the LEA as a whole or at least 35 percent. When determining eligibility, an LEA must select a poverty measure. The District selected the number of children eligible for free and reduced prices lunches to measure poverty.

***Condition***

The District was unable to provide documentation to support the eligibility determinations for the children that qualified for free and reduced price lunches. This was due to an inadequate system for archiving the applications after the determination of eligibility was completed.

***Questioned Costs***

None

***Context***

Members of the District's management have indicated that applications or direct certifications were obtained from all children qualifying for a free or reduced price lunch. However, documentation supporting the qualifying children was not maintained for all of the children. During the audit, 63 student applications were selected for testing. The applications for 13 of the students were misplaced. The applications for the other 50 students were available. When testing these 50 applications, it was determined that the internal controls were operating and the appropriate determination of eligibility was made.

***Effect***

The District is unable to substantiate that the eligibility requirement for the grant was met.

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

Year Ended June 30, 2017

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONTINUED)**

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**2017-003 (Continued)**

***Identification of a Repeat Finding***

This is not a repeat finding.

***Cause***

The grants management personnel do not have a procedure in place to maintain the documentation of the eligibility determination and to demonstrate that the eligibility requirement was met.

***Recommendation***

We recommend the District review the eligibility requirements and establish control policies and procedures that will help ensure compliance.

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

The District will review the eligibility requirements and establish control procedures accordingly. Please refer to the District's corrective action plan.

# Carbon County School District One

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## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

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None.



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## **Corrective Action Plan**

### **Finding 2017-001**

*Name of Contact Person* – Margaret Cox, Business Manager

#### **Corrective Action**

The District will incorporate financial reporting internal controls to detect material adjustments, prevent materially misstated financial statements and increase the accuracy of the financial reports. Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. Management will carefully review the financial statements, disclosures, supplementary information, and schedule of financial assistance prior to approving them, and will accept responsibility for their content and presentation.

*Proposed Completion Date* – The Business Office will begin implementation of the above procedure in December 2017.

### **Finding 2017-002**

*Name of Contact Person* – Margaret Cox, Business Manager

#### **Corrective Action**

The District will provide training to staff that enter and maintain capital assets. The District will utilize the trainings provided by our accounting software program as well as other trainings offered. Staff responsible for maintaining the capital asset database will work with department directors to ensure that assets are properly recorded and accounted for. The Business Manager will review the capital asset database with staff quarterly.

*Proposed Completion Date* – The Business Office will begin implementation of the above procedure in December 2017.

### **Finding 2017-003**

*Name of Contact Person* – Heather Mortensen, Food Service Director

#### **Corrective Action**

The Food Service Director will develop an effective filing system for free/reduced applications. The Food Service Director will assigned a determining official, school secretaries, for applications and the Food Service Director will be the verifying official for all application. Once completed, all application are scanned and stored by student name on District servers for ease of access.

*Proposed Completion Date* – The Food Service Director will implement the above procedures immediately.

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