

CARBON COUNTY SCHOOL DISTRICT #1

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2012

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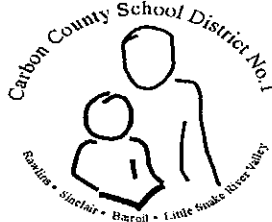
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Carbon County School District One

Educational Excellence

615 Rodeo
Rawlins, WY 82301



(307) 328-9200
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www.crb1.k12.wy.us

December 10, 2012

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, 2012 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 that, 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 unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2012. 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 3.

DISTRICT PROFILE

Carbon County School District 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 1870 children in four different communities Rawlins, Baggs, Sinclair and Bairoil. School configuration is different in each community Rawlins has one K-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. Sinclair has one K-5 elementary school. Bairoil has one K-5 elementary school.

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 ninth largest state in the U.S. with 97,914 square miles. This provides Wyoming with abundance of natural resources. In 2010 Wyoming was the number one producer of coal and ranks highest in mining employment. Wyoming produces as much coal as the next six producing states combined. Natural gas production was fourth in the nation and crude oil was eighth in the nation. Wyoming also possesses the largest known reserve of trona in the world. With Wyoming 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 a dedicated funding source for schools. With our small statewide population of 568,000 and 89,000 students, the assessment and royalties 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 about eight percent of Wyoming. In 2009 the County ranked sixth among the counties in Wyoming in natural gas production and tenth in crude oil. Carbon County has approximately 200 operating wind turbines with 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 the permitting phase before construction can start. 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, 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 again trending upward since 2004. Now showing stable to slightly increasing growth.

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.

Carbon County School District No. 1 is a recapture district.

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. This along with the State's progressing funding of Education in Wyoming has allow the District to continually fund improvements in programs, and facilities in the District.

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.

CCHEC 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. CCHEC 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 is currently in the schematic design phase with a start date of construction in the fall of 2013 with an estimated final completion date of fall of 2016. The new CCHEC facility approved by the voters is now in design development phase with a start of construction date in the Spring of 2013 and completion in the fall of 2014.

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.

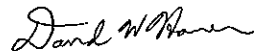
Furthermore, we would like to acknowledge the efforts of all District personnel who conscientiously follow internal controls; and during the Annual Financial Report preparation, provide additional information that makes the report more meaningful.

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,

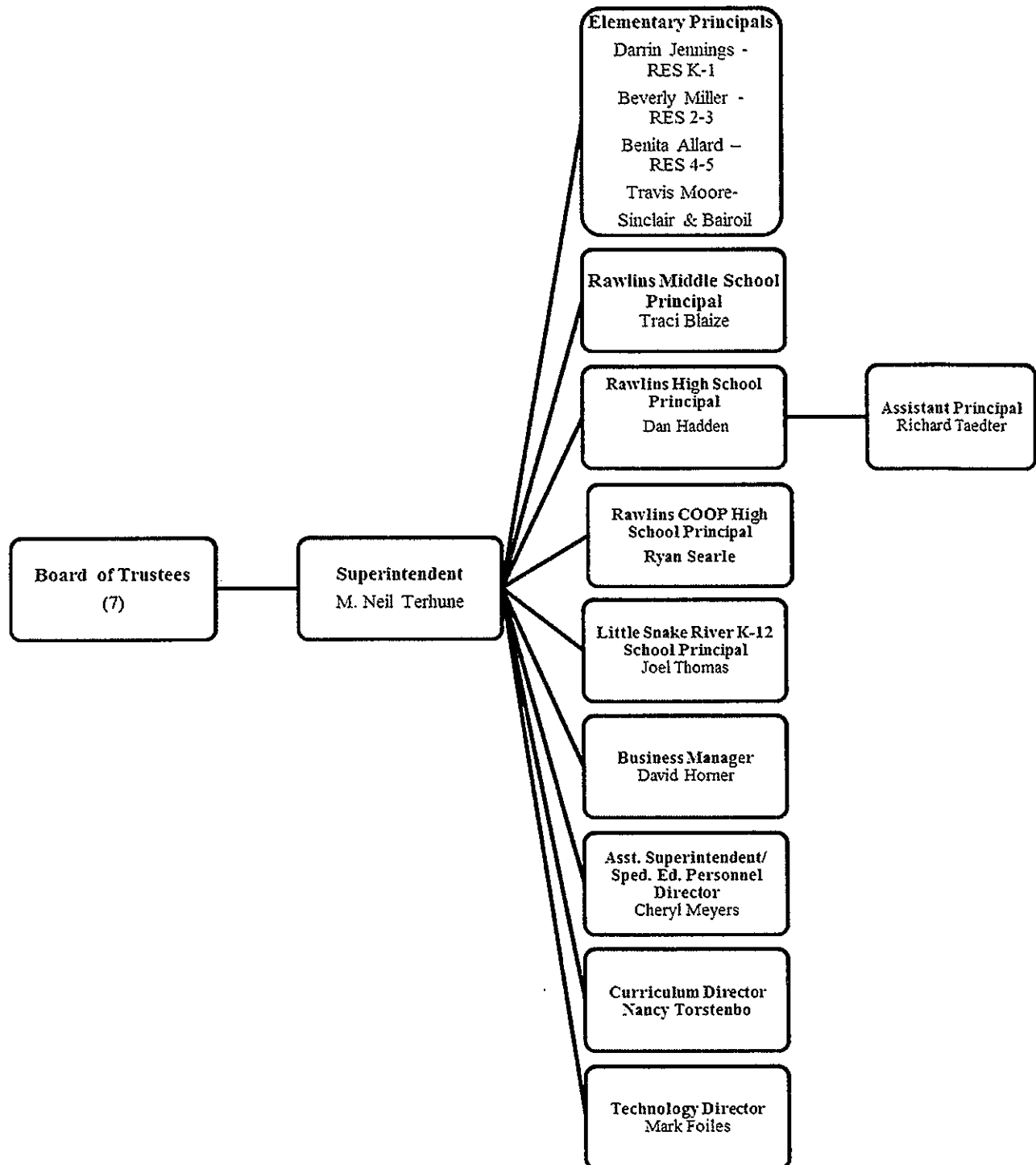


M. Neil Terhune
Superintendent

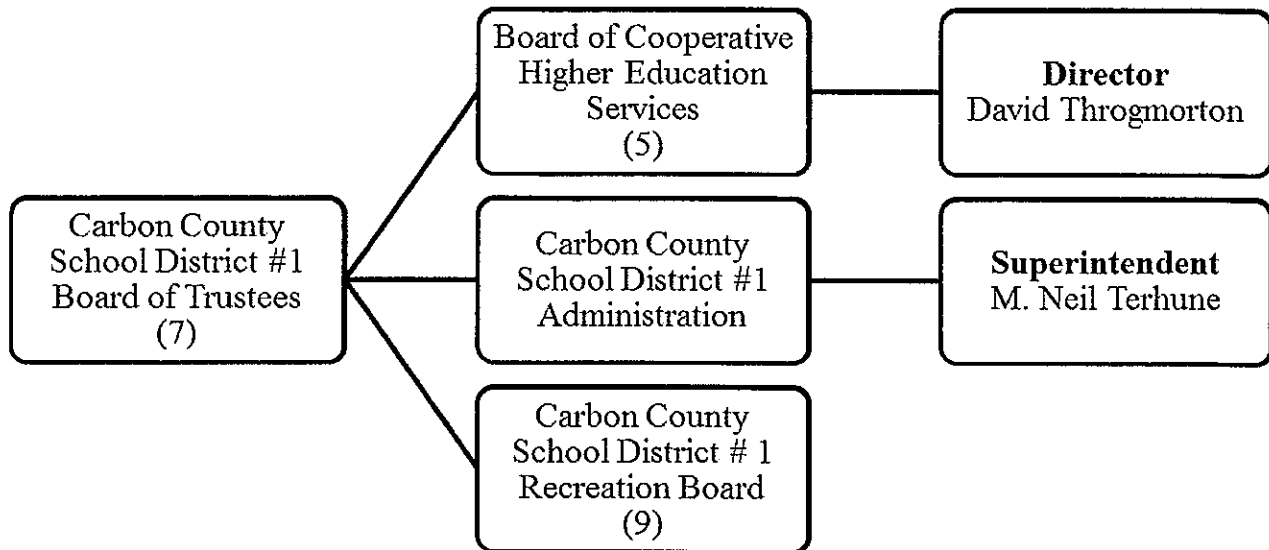


David Horner
Business Manager

**CARBON COUNTY SCHOOL DISTRICT # 1
ADMINISTRATIVE ORGANIZATIONAL CHART 2012**



**CARBON COUNTY SCHOOL DISTRICT #1 AND COMPONENT UNITS
ORGANIZATIONAL CHART 2012**



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

Administrative Office

615 Rodeo
Rawlins, WY 82301

M. Neil Terhune
David Horner
Margaret Quintrall

Superintendent
Business Manager
Asst. Business Manager

BOARD OF TRUSTEES AS OF JUNE 30, 2012

	<u>Term Expires</u>
Mr. David Dingman, Chair 2426 Cutty Sark Rawlins, WY 82301	December 2012
Mr. Gilbert Archuleta, Vice Chair 194 LaPaloma Rawlins, WY 82301	December 2014
Ms. Juli Miller, Treasurer 901 Date St, Rawlins, WY 82301	December 2012
Ms. Connie M. Ward, Clerk 1925 E. Murray St. #15 Rawlins, WY 82301	December 2012
Mr. Jeff Hitchcock 1801 Inverness Rawlins, WY 82301	December 2012
Mr. Michael Mann 2420 Inverness Rawlins, WY 82301	December 2014
Mr. Pat Sheehan HC 66 Box 200 Baggs, WY 82321	December 2014
Legal Counsel MacPherson Kelly & Thompson LLC 616 W Buffalo P.O. Box 999 Rawlins, WY 82301	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

705 Rodeo St.
Rawlins, WY 82301

David Throgmorton
Shelly Collier

Director
Accounting Specialist

BOARD OF COOPERATIVE HIGHER EDUCATION SERVICES

Mr. Gilbert Archuleta, Chair
Rawlins, WY

Carbon County School District #1

Ms. Juli Miller, Vice Chair
Rawlins, WY

Carbon County School District #1

Mr. Pat Sheehan, Treasurer
Baggs, 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 2012

Mr. David Dingman, Chair
Rawlins, WY

School Board Appointed

Mr. Pat Sheenan
Baggs, WY

School Board Appointed

Ms. Connie Ward
Rawlins, WY

School Board Appointed

Term Expires

Mr. Don Brinkman
Rawlins, WY

January 2016

Ms. Sandy Jebens
Rawlins, WY

January 2016

Ms. Jodi Stanley
Baggs, WY

January 2016

Ms. Patricia Hays
Rawlins, WY

January 2013

Ms. Janell Thayer-Steele
Rawlins, WY

January 2013

Ms. Charlene Abbott
Rawlins, WY

January 2013

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PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

123 West First Street Suite 800 P.O. Box 2750 Casper, Wyoming 82602 (307) 265-4311 Fax (307) 265-5180

INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and
Board of Trustees
Carbon County School District #1

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2012, which collectively comprise Carbon County School District #1's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Carbon County School District #1's management. 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 of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 10, 2012, 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, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, on pages 3 through 10 and 43 through 47, 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 management's discussion and analysis 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. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied during 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 financial statements, or to the 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 introductory and statistical sections on pages iii through xi and 52 through 75 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 assurance on them.

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 other supplementary information, on pages 49 through 50, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on pages 77 through 78 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Carbon County School District #1. The other supplementary information and the schedule 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 financial statements. The other supplementary information, and schedule of expenditures of federal awards have 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying basic financial statements, required supplementary information, other supplementary information as listed in the table of contents, and our independent auditor's reports are for the purpose of meeting local, state and federal requirements and are for the use of those entities, management and the Board of Trustees and should not be used or relied upon by any other party for any purpose. Additional users of these basic financial statements, required supplementary information, other supplementary information, and our independent auditor's reports are hereby advised that the liability of Porter, Muirhead, Cornia & Howard to third party users who use or rely on this information may be limited pursuant to 1995 Wyoming Session Laws, Chapter 155 creating Wyoming Statute §33-3-201.



Porter, Muirhead, Cornia & Howard
Certified Public Accountants

December 10, 2012

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012 (UNAUDITED)

As management of Carbon County School District No. 1, 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, 2012. 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 assets were \$53,755,073 at June 30, 2012 which compares to \$53,459,302 at the beginning of the fiscal year, an increase of less than one percent.

During the year, the District's total primary government expenses were \$319,138 less than the \$34,259,982 generated in taxes and other revenues for governmental activities.

The District had \$33,790,844 in expenses related to governmental activities; of which \$4,573,034 of these expenses were offset by program specific charges for services or grants and contributions.

The District increased its outstanding long-term debt by \$27,911,462. The outstanding long-term debt includes \$28,155,916 in bonds for construction that is payable over 17 years and \$15,323 retainage payable due in one year.

The District made a recapture payment of \$5,268,576 to the State Foundation Program for the 2011 - 2012 fiscal year.

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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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.

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 only one business-type activity: the enterprise fund - Food Service.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

(UNAUDITED)

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 Assets and the Statement of Activities and the governmental funds are reconciled in the financial statements. The general fund, Board of Cooperative Higher Educational Services fund, major maintenance, capital construction and grants, and depreciation fund 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 Fund - Food Service is the only fund 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 assets and a statement of changes in fiduciary net assets. The District has two funds in this category, The Scholarship Fund (a Private Purpose Trust fund) and the Student Activities Fund.

Notes to the financial statements. The notes provide additional information that is essential to 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, 2012 (UNAUDITED)

Financial Analysis of the District as a Whole

The Statement of Net Assets provides the perspective of the District as a whole. The following provides a summary of the District's net assets at June 30, 2012:

Condensed Statements of Net Assets

	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total School District	Total School District
Current and other assets	\$ 14,920,252	\$ 42,618,554	\$ 116,450	\$ 103,544	\$ 15,036,702	\$ 42,722,098
Capital assets	41,927,265	42,148,932	17,381	12,057	41,944,646	42,160,989
Total assets	56,847,517	84,767,486	133,831	115,601	56,981,348	84,883,087
Long-term liabilities	1,351,274	29,262,736	-	-	1,351,274	29,262,736
Other liabilities	2,170,772	1,860,141	-	5,137	2,170,772	1,865,278
Total liabilities	3,522,046	31,122,877	-	5,137	3,522,046	31,128,014
Invested in capital assets net of related debt	40,984,314	41,366,461	17,381	12,057	41,001,695	41,378,518
Restricted						
Wyoming Statute	1,011,721	3,867,582	-	-	1,011,721	3,867,582
Donors	2,753,839	172,505	-	-	2,753,839	172,505
Tax levy	3,582,385	3,611,007	-	-	3,582,385	3,611,007
Unrestricted	4,993,212	4,627,054	116,450	98,407	5,109,662	4,725,461
Total net assets	\$ 53,325,471	\$ 53,644,609	\$ 133,831	\$ 110,464	\$ 53,459,302	\$ 53,755,073

The net investment in capital assets is \$41,378,518, 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 \$782,471. 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 except for the retainage payable related to the District's construction in progress. Usually, an additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, or \$4,725,461, may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012 (UNAUDITED)

For governmental activities, the District's total net assets increased by \$319,138 during the year ended June 30, 2012. The total cost of all governmental activities this year was \$33,790,844 and of the business-type activity was \$803,904. The amount that taxpayers paid for these activities through property taxes was \$29,080,168 net of recapture in the amount of \$5,268,576.

	Changes in Net Assets					
	2010-2011			2011-2012		
	Governmental-Type Activities			Governmental-Type Activities		
	District	BOCHES	Total	District	BOCHES	Total
Revenues:						
Program revenues:						
Charges for services	\$ 36,940	\$ 353,905	\$ 390,845	\$ 46,585	\$ 356,846	\$ 403,431
Operating grants and contributions	3,607,092	112,991	3,720,083	3,486,883	115,578	3,602,461
Capital grants	12,630,341	-	12,630,341	970,573	-	970,573
General revenues:						
Taxes	27,026,794	2,030,483	29,057,277	31,886,605	2,462,139	34,348,744
Investments	49,431	3,750	53,181	32,224	9,361	41,585
Recapture payment	(708,299)	-	(708,299)	(5,268,576)	-	(5,268,576)
Miscellaneous	29,844	-	29,844	161,764	-	161,764
Total revenues	42,672,143	2,501,129	45,173,272	31,316,058	2,943,924	34,259,982
Expenses:						
Regular instruction	11,371,422	-	11,371,422	11,879,454	-	11,879,454
Special ed instruction	5,394,146	-	5,394,146	5,606,923	-	5,606,923
Pupil services	1,806,551	-	1,806,551	1,740,359	-	1,740,359
BOCHES	-	2,824,583	2,824,583	-	2,934,382	2,934,382
Instructional staff services	996,770	-	996,770	1,107,401	-	1,107,401
General admin services	1,010,453	-	1,010,453	1,033,443	-	1,033,443
School admin services	1,533,812	-	1,533,812	1,564,289	-	1,564,289
Business services	609,718	-	609,718	591,919	-	591,919
O&M of plant services	5,007,218	-	5,007,218	4,114,965	-	4,114,965
Pupil transportation	1,162,602	-	1,162,602	1,301,515	-	1,301,515
Central services	1,006,800	-	1,006,800	1,350,510	-	1,350,510
Other support services	147,355	-	147,355	173,478	-	173,478
IBNR claim costs	-	-	-	350,446	-	350,446
Interest on long-term debt	25,172	-	25,172	41,760	-	41,760
Nutrition services	-	-	-	-	-	-
Total expenses	30,072,019	2,824,583	32,896,602	30,856,462	2,934,382	33,790,844
Excess (deficiency) of revenues over expenditures	12,600,124	(323,454)	12,276,670	459,596	9,542	469,138
Transfers	(90,000)	-	(90,000)	(150,000)	-	(150,000)
Change in net assets	12,510,124	(323,454)	12,186,670	309,596	9,542	319,138
Beginning net assets	37,061,388	4,077,413	41,138,801	49,571,512	3,753,959	53,325,471
Ending net assets	\$ 49,571,512	\$ 3,753,959	\$ 53,325,471	\$ 49,881,108	\$ 3,763,501	\$ 53,644,609

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

(UNAUDITED)

2010-2011	2011-2012	2010-2011	2011-2012
Business-Type Activities			
District	District	Total District and BOCHES	Total District and BOCHES
\$ 265,014	\$ 271,285	\$ 655,859	\$ 674,716
354,837	358,384	4,074,920	3,960,845
-	-	12,630,341	970,573
-	-	29,057,277	34,348,744
620	269	53,801	41,854
-	-	(708,299)	(5,268,576)
2,447	599	32,291	162,363
622,918	630,537	45,796,190	34,890,519
-	-	11,371,422	11,879,454
-	-	5,394,146	5,606,923
-	-	1,806,551	1,740,359
-	-	2,824,583	2,934,382
-	-	996,770	1,107,401
-	-	1,010,453	1,033,443
-	-	1,533,812	1,564,289
-	-	609,718	591,919
-	-	5,007,218	4,114,965
-	-	1,162,602	1,301,515
-	-	1,006,800	1,350,510
-	-	147,355	173,478
-	-	-	350,446
-	-	25,172	41,760
747,581	803,904	747,581	803,904
747,581	803,904	33,644,183	34,594,748
(124,663)	(173,367)	12,152,007	295,771
90,000	150,000	-	-
(34,663)	(23,367)	12,152,007	295,771
168,494	133,831	41,307,295	53,459,302
\$ 133,831	\$ 110,464	\$ 53,459,302	\$ 53,755,073

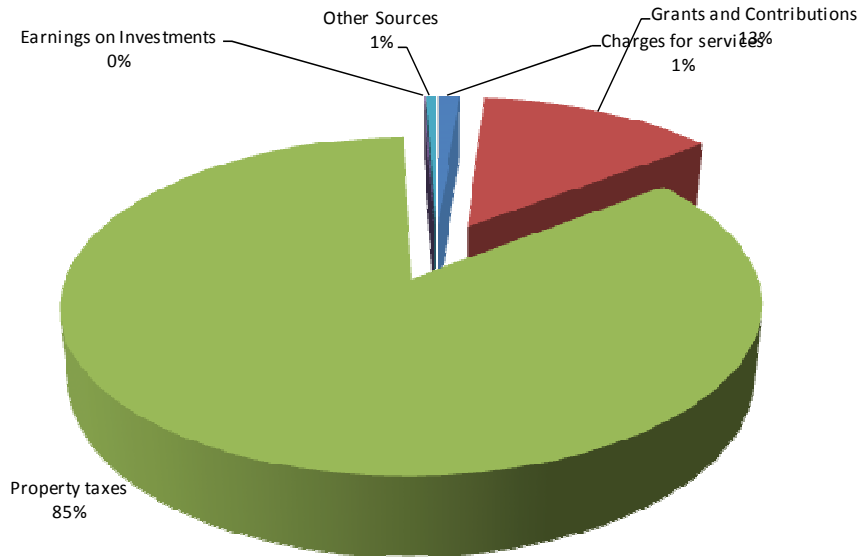
CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

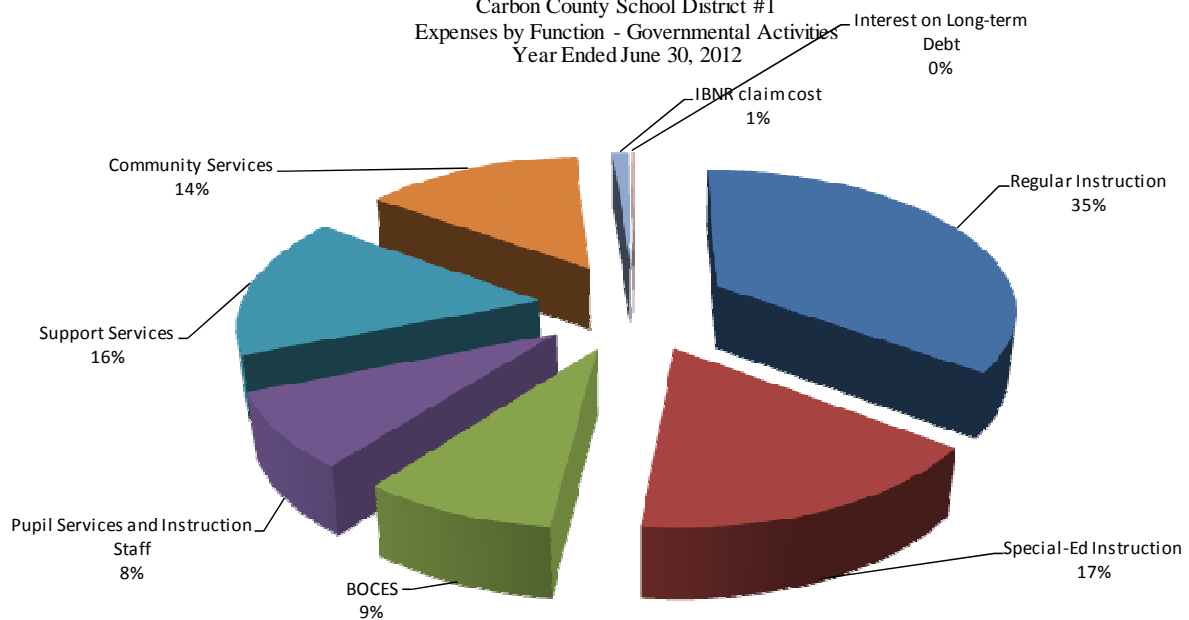
JUNE 30, 2012

(UNAUDITED)

Carbon County School District #1
Revenues by Source Governmental Activities
Year Ended June 30, 2012



Carbon County School District #1
Expenses by Function - Governmental Activities
Year Ended June 30, 2012



CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012 (UNAUDITED)

Financial Analysis of the District's Funds

Governmental Funds

Revenues:

General fund revenues, net of recapture payment, increased to \$26,546,017 in FY 2012 from \$25,551,771 in FY 2011 due to an increase in collections of taxes.

Major maintenance revenues from the State of Wyoming decreased by \$412,859 in comparison to the prior year. This decrease is due to the change in the State funding formula used to calculate the major maintenance allocation.

Food Service Fund:

The total Food Service fund revenues for 2012 were \$630,537, an increase of \$7,619 from the prior year. The expenses incurred to provide this program increased by \$58,323 from the prior year. The Food Service fund had a net loss before transfers of \$173,367 in 2012, compared to a net loss before transfers of \$124,663 in 2011.

Capital Asset and Debt Administration

Capital Assets:

The District's investment in capital assets for its governmental activities as of June 30, 2012 is \$42,148,932 (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)

	2010-2011	2011-2012
Land	\$ 941,359	\$ 934,579
Construction in progress	90,319	400,390
Buildings and improvements	39,941,699	39,535,122
Vehicles	569,377	928,307
Furniture and equipment	384,511	350,534
Total	<u>\$41,927,265</u>	<u>\$42,148,932</u>

Additional information regarding the District's capital assets can be found in the Notes to Financial Statements page 31.

The District is currently in the design phase of a new Rawlins High School that is funded by the Wyoming School Facilities Commission with enhancements funded by the bond approved by the voters of the District. Construction of the new school is scheduled to start in the fall of 2013 and is expected to be completed in 2016. The new BOCHES building that was funded by the bond is in the design phase with construction starting in Spring of 2013 and an estimated completion date of 2014.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

(UNAUDITED)

Long-Term Debt:

The following is a summary of debt transactions related to capital leases of the District for the year ended June 30, 2012:

Debt outstanding at July 1, 2011	\$ 1,351,274
New debt issued	28,722,034
Debt retired	<u>810,572</u>
Debt outstanding at June 30, 2012	<u><u>\$29,262,736</u></u>

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 Commission's actions.

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 David Horner, 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 ASSETS

June 30, 2012

	Primary Government			Component Unit
	Governmental	Business-Type		Recreation
	Activities	Activities	Total	Board
ASSETS				
Current assets				
Cash and cash equivalents	\$ 7,718,273	\$ 82,724	\$ 7,800,997	\$ 983,758
Cash held by fiscal agent	262,345	-	262,345	6,591
Investments	5,594,384	-	5,594,384	-
Restricted investments	27,741,518	-	27,741,518	-
Property taxes receivable	181,191	-	181,191	5,274
Accounts receivable	352,595	-	352,595	-
Due from other governments	433,114	10,735	443,849	-
Inventory	26,076	10,085	36,161	-
Prepaid expenses	1,032	-	1,032	-
Capital assets not depreciated				
Land	934,579	-	934,579	-
Construction in progress	400,390	-	400,390	-
Capital assets, net of accumulated depreciation				
Buildings and improvements	39,535,122	-	39,535,122	-
Vehicles	928,307	-	928,307	-
Furniture and equipment	350,534	12,057	362,591	-
Series 2012 bond issue costs, net of \$1,157 amortization	308,026	-	308,026	-
Total assets	<u>84,767,486</u>	<u>115,601</u>	<u>84,883,087</u>	<u>995,623</u>
LIABILITIES				
Current liabilities				
Accounts payable	548,097	5,137	553,234	-
Accrued salaries payable	961,598	-	961,598	-
IBNR claims payable	350,446	-	350,446	-
Non-current liabilities				
Due within one year	909,137	-	909,137	-
Due in more than one year	28,353,599	-	28,353,599	-
Total liabilities	<u>31,122,877</u>	<u>5,137</u>	<u>31,128,014</u>	<u>-</u>
NET ASSETS				
Invested in capital assets, net of related debt	41,366,461	12,057	41,378,518	-
Restricted by Wyoming state statutes	3,867,582	-	3,867,582	995,623
Restricted by donors	172,505	-	172,505	-
Restricted by tax levy	3,611,007	-	3,611,007	-
Unrestricted	4,627,054	98,407	4,725,461	-
Total net assets	<u>\$ 53,644,609</u>	<u>\$ 110,464</u>	<u>\$ 53,755,073</u>	<u>\$ 995,623</u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES Year Ended June 30, 2012

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 11,879,454	\$ 46,585	\$ 231,537	\$ -
Special education instruction	5,606,923	-	2,728,989	-
Support services				
Pupil services	1,740,359	-	-	-
BOCHES services	2,934,382	356,846	115,578	-
Instructional staff services	1,107,401	-	-	-
General administration services	1,033,443	-	15,176	-
School administration services	1,564,289	-	-	-
Business services	591,919	-	-	-
Operation and maintenance of plant services	4,114,965	-	160,735	-
Pupil transportation services	1,301,515	-	-	-
Central services	1,350,510	-	-	970,573
Other support services	173,478	-	-	-
IBNR claims expense	350,446	-	350,446	-
Interest on long-term debt	41,760	-	-	-
Total governmental activities	33,790,844	403,431	3,602,461	970,573

See accompanying notes to the financial statements

Net (Expenses) Revenues and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Recreation Board
\$ (11,601,332)	\$ -	\$ (11,601,332)	\$ -
(2,877,934)	-	(2,877,934)	-
(1,740,359)	-	(1,740,359)	-
(2,461,958)	-	(2,461,958)	-
(1,107,401)	-	(1,107,401)	-
(1,018,267)	-	(1,018,267)	-
(1,564,289)	-	(1,564,289)	-
(591,919)	-	(591,919)	-
(3,954,230)	-	(3,954,230)	-
(1,301,515)	-	(1,301,515)	-
(379,937)	-	(379,937)	-
(173,478)	-	(173,478)	-
-	-	-	-
(41,760)	-	(41,760)	-
(28,814,379)	-	(28,814,379)	-

(Continued)

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2012

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-type activities				
Food service fund	\$ 803,904	\$ 271,285	\$ 358,384	\$ -
Total business-type activities	<u>803,904</u>	<u>271,285</u>	<u>358,384</u>	<u>-</u>
 Total primary government	 <u>\$ 34,594,748</u>	 <u>\$ 674,716</u>	 <u>\$ 3,960,845</u>	 <u>\$ 970,573</u>
Component Unit				
Recreation Board	\$ 910,034	\$ -	\$ -	\$ -
Total component unit	<u>\$ 910,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for specific purposes				
Major building and facility maintenance				
Recreation				
BOCHES				
Recapture tax payment				
Unrestricted investment earnings				
Unrestricted miscellaneous revenue/(expense)				
Transfers				
Total general revenues				
Change in net assets				
Net assets - beginning of year				
Net assets - end of year				

See accompanying notes to the financial statements

Net (Expenses) Revenues and Changes in Net Assets

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Recreation Board
\$ -	\$ (174,235)	\$ (174,235)	\$ -
-	(174,235)	(174,235)	-
(28,814,379)	(174,235)	(28,988,614)	-
-	-	-	(910,034)
-	-	-	(910,034)
31,075,064	-	31,075,064	-
811,541	-	811,541	-
-	-	-	991,556
2,462,139	-	2,462,139	-
(5,268,576)	-	(5,268,576)	-
41,585	269	41,854	1,407
161,764	599	162,363	-
(150,000)	150,000	-	-
29,133,517	150,868	29,284,385	992,963
319,138	(23,367)	295,771	82,929
53,325,471	133,831	53,459,302	912,694
\$ 53,644,609	\$ 110,464	\$ 53,755,073	\$ 995,623

CARBON COUNTY SCHOOL DISTRICT #1

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2012

	General Fund	Board of Cooperative Higher Educational Services	Major Maintenance Fund
ASSETS			
Cash and cash equivalents	\$ 3,135,064	\$ 1,925,733	\$ 1,145,491
Cash held by fiscal agent	248,577	13,768	-
Investments	2,210,384	1,726,462	-
Restricted investments	-	-	-
Property taxes receivable	168,008	13,183	-
Accounts receivable	336,228	16,367	-
Due from other governments	-	6,180	-
Due from other funds	683,970	-	-
Prepaid expenses	-	1,032	-
Inventory	26,076	-	-
Total assets	<u>\$ 6,808,307</u>	<u>\$ 3,702,725</u>	<u>\$ 1,145,491</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 158,664	\$ 66,608	\$ 43,563
Due to other funds	-	-	-
Accrued salaries payable	941,164	20,434	-
IBNR claims payable	350,446	-	-
Deferred revenue	63,572	4,676	-
Total liabilities	<u>1,513,846</u>	<u>91,718</u>	<u>43,563</u>
Fund balances			
Nonspendable			
Inventory	26,076	-	-
Restricted by Wyoming state statutes	-	-	1,101,928
Restricted by donors	120,000	-	-
Restricted by tax levy	-	3,611,007	-
Restricted by bonds for projects	-	-	-
Committed	-	-	-
Unassigned	5,148,385	-	-
Total fund balances	<u>5,294,461</u>	<u>3,611,007</u>	<u>1,101,928</u>
Total liabilities and fund balances	<u>\$ 6,808,307</u>	<u>\$ 3,702,725</u>	<u>\$ 1,145,491</u>

See accompanying notes to the financial statements

Capital Construction Fund	Grants Fund	Total Governmental Funds
\$ 1,304,417	\$ 171,886	\$ 7,682,591
-	-	262,345
1,657,538	-	5,594,384
27,741,518	-	27,741,518
-	-	181,191
-	-	352,595
8,862	418,072	433,114
1,922	-	685,892
-	-	1,032
-	-	26,076
<u>\$ 30,714,257</u>	<u>\$ 589,958</u>	<u>\$ 42,960,738</u>

\$ 261,571	\$ 17,450	\$ 547,856
165,889	520,003	685,892
-	-	961,598
-	-	350,446
-	-	68,248
<u>427,460</u>	<u>537,453</u>	<u>2,614,040</u>

-	-	26,076
2,765,654	-	3,867,582
-	52,505	172,505
-	-	3,611,007
27,516,850	-	27,516,850
4,293	-	4,293
-	-	5,148,385
<u>30,286,797</u>	<u>52,505</u>	<u>40,346,698</u>
<u>\$ 30,714,257</u>	<u>\$ 589,958</u>	<u>\$ 42,960,738</u>

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CARBON COUNTY SCHOOL DISTRICT #1

**RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS,
TO THE STATEMENT OF NET ASSETS**

June 30, 2012

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

Total fund balances			\$ 40,346,698
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds			42,148,932
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in funds			
Deferred property tax revenue as of June 30, 2012			68,248
Internal service funds are used by management to charge the costs of the flex benefit plan. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets			35,441
2012 Series bonds cost issuance, net of amortization			308,026
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds			
Series 2012 bonds payable	\$ (26,500,000)		
Series 2012 bonds payable premium, net of amortization	(1,655,916)		
Accrued compensated absences	(324,349)		
Retainage payable	(15,323)		
Lease purchase obligations	(767,148)	(29,262,736)	
Net assets of governmental activities			<u>\$ 53,644,609</u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2012**

	General Fund	Board of Cooperative Higher Educational Services	Major Maintenance Fund
Revenues			
Taxes	\$ 29,627,599	\$ 2,462,499	\$ -
Intergovernmental revenues	1,710,509	90,578	811,541
Charges for services	46,585	356,846	-
Investment income	12,733	9,361	5,529
Miscellaneous	417,167	-	-
Public contributions	-	25,000	-
Recapture payment	(5,268,576)	-	-
Total revenues	<u>26,546,017</u>	<u>2,944,284</u>	<u>817,070</u>
Expenditures			
Instruction			
Regular instruction	10,601,951	-	-
Special education instruction	3,128,123	-	-
Vocational education	-	1,290,282	-
Total instruction	<u>13,730,074</u>	<u>1,290,282</u>	<u>-</u>
Support services			
Pupil services	2,340,352	-	-
Instructional staff services	1,107,401	-	-
General administration services	434,072	1,213,231	-
School administration services	1,549,090	-	-
Business services	593,912	-	-
Operation and maintenance of plant services	3,154,777	-	726,863
Pupil transportation services	1,781,027	-	-
Community services	-	382,713	-
Central services	1,242,406	-	-
Other support services	285,237	-	-
IBNR claims expense	350,446	-	-
Facilities acquisition and construction services	-	-	-
Debt service			
Principal repayments	261,550	6,892	-
Interest	49,918	1,544	-
Series 2012 bond issuance costs	-	-	-
Total support services	<u>13,150,188</u>	<u>1,604,380</u>	<u>726,863</u>
Total expenditures	<u>26,880,262</u>	<u>2,894,662</u>	<u>726,863</u>
Excess (deficiency) of revenues over expenditures	<u>(334,245)</u>	<u>49,622</u>	<u>90,207</u>
Other financing sources(uses)			
Transfers in	186,889	-	-
Transfers (out)	(151,170)	(21,000)	-
Proceeds from sale of assets	28,519	-	-
Proceeds from bond issuance	-	-	-
Bond premium	-	-	-
Proceeds from capital lease	542,638	-	-
Total other financing sources (uses)	<u>606,876</u>	<u>(21,000)</u>	<u>-</u>
Net changes in fund balances	272,631	28,622	90,207
Fund balances - beginning of year	5,021,830	3,582,385	1,011,721
Fund balances - end of year	<u>\$ 5,294,461</u>	<u>\$ 3,611,007</u>	<u>\$ 1,101,928</u>

See accompanying notes to the financial statements

Capital Construction Fund	Grants Fund	Total Governmental Funds
\$ -	\$ -	\$ 32,090,098
970,573	2,855,672	6,438,873
-	-	403,431
13,610	276	41,509
65,969	-	483,136
-	120,000	145,000
-	-	(5,268,576)
<u>1,050,152</u>	<u>2,975,948</u>	<u>34,333,471</u>
-	230,947	10,832,898
-	2,721,429	5,849,552
-	-	1,290,282
<u>-</u>	<u>2,952,376</u>	<u>17,972,732</u>
-	-	2,340,352
-	-	1,107,401
-	-	1,647,303
-	15,198	1,564,288
-	-	593,912
339,475	-	4,221,115
-	-	1,781,027
-	-	382,713
-	-	1,242,406
-	-	285,237
-	-	350,446
999,401	-	999,401
-	-	268,442
-	-	51,462
309,543	-	309,543
<u>1,648,419</u>	<u>15,198</u>	<u>17,145,048</u>
<u>1,648,419</u>	<u>2,967,574</u>	<u>35,117,780</u>
<u>(598,267)</u>	<u>8,374</u>	<u>(784,309)</u>
-	1,170	188,059
(165,889)	-	(338,059)
-	-	28,519
26,500,000	-	26,500,000
1,664,073	-	1,664,073
-	-	542,638
<u>27,998,184</u>	<u>1,170</u>	<u>28,585,230</u>
27,399,917	9,544	27,800,921
2,886,880	42,961	12,545,777
<u>\$ 30,286,797</u>	<u>\$ 52,505</u>	<u>\$ 40,346,698</u>

CARBON COUNTY SCHOOL DISTRICT #1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds	\$ 27,800,921
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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	\$ 1,720,752	
Depreciation expense	(1,492,305)	
Cost basis of asset disposition	(19,361)	
Accumulated depreciation of asset dispositions	12,581	221,667

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.

Amounts provided through lease financing	(542,638)	
Series 2012 bonds payable	(26,500,000)	
Series 2012 bonds premium	(1,664,073)	
Series 2012 premium amortization	8,157	
Principal payments on long-term debt	268,441	(28,430,113)

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. This adjustment combines changes in compensated absences and retainage payable.

Prior year total liability for compensated absences	408,323	
Current year total liability for compensated absences	(324,349)	
Prior year retainage payable	450,000	
Current year retainage payable	(15,323)	
Series 2012 bond issuance cost	309,543	
Series 2012 bond issuance cost amortization	(1,517)	826,677

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

Prior year deferred tax revenue	(170,331)	
Current year deferred tax revenue	68,248	(102,083)

The activity of the internal service fund is accounted for in a separate fund that is considered to be a proprietary fund. The interest income is reported with governmental activities.

	2,069
Changes in net assets of governmental activities	\$ 319,138

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET ASSETS PROPRIETARY FUNDS

June 30, 2012

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
ASSETS		
Current assets		
Cash and cash equivalents	\$ 82,724	\$ 35,682
Due from other governments	10,735	-
Inventory	10,085	-
	<hr/>	<hr/>
Total current assets	103,544	35,682
	<hr/>	<hr/>
Capital assets		
Property and equipment, net	12,057	-
	<hr/>	<hr/>
Total assets	115,601	35,682
	<hr/>	<hr/>
LIABILITIES		
Current liabilities		
Accounts payable	5,137	-
Due to employees for flex benefits	-	241
	<hr/>	<hr/>
Total liabilities	5,137	241
	<hr/>	<hr/>
NET ASSETS		
Invested in capital assets, net of related debt	12,057	-
Unrestricted	98,407	35,441
	<hr/>	<hr/>
Total net assets	\$ 110,464	\$ 35,441
	<hr/>	<hr/>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS PROPRIETARY FUNDS Year Ended June 30, 2012

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
Operating revenues		
Charges for services	\$ 271,285	\$ 59
Miscellaneous	599	1,993
Total operating revenues	<u>271,884</u>	<u>2,052</u>
Operating expenses		
Salaries	231,300	-
Employee benefits	64,342	59
Purchased services	5,810	-
Supplies and materials	497,128	-
Depreciation	5,324	-
Total operating expenses	<u>803,904</u>	<u>59</u>
Income (loss) from operations	(532,020)	1,993
Nonoperating revenues		
Federal subsidy	358,384	-
Interest income	269	76
Total nonoperating revenues	<u>358,653</u>	<u>76</u>
Income (loss) before transfers	(173,367)	2,069
Transfers in	<u>150,000</u>	<u>-</u>
Change in net assets	(23,367)	2,069
Net assets - beginning of year	<u>133,831</u>	<u>33,372</u>
Net assets - end of year	<u>\$ 110,464</u>	<u>\$ 35,441</u>

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended June 30, 2012

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities		
Cash received from services	\$ 265,680	\$ 59
Cash paid to suppliers for goods and services	(454,600)	-
Cash paid to employees for services	(295,642)	(59)
Cash paid for other operating expenses	-	848
Net cash provided by (used in) operating activities	<u>(484,562)</u>	<u>848</u>
Cash flows from noncapital financing activities		
Transfers	150,000	-
Subsidy received from federal grants	312,013	-
Net cash provided by noncapital financing activities	<u>462,013</u>	<u>-</u>
Cash flows from investing activities		
Interest income	269	76
Net cash provided by investing activities	<u>269</u>	<u>76</u>
Net change in cash and cash equivalents	(22,280)	924
Cash and cash equivalents - beginning of year	105,004	34,758
Cash and cash equivalents - end of year	<u>\$ 82,724</u>	<u>\$ 35,682</u>
Reconciliation of operating income (loss) to net cash used in operating activities		
Operating income (loss)	\$ (532,020)	\$ 1,993
Adjustments to reconcile operating loss to net cash used in operating activities		
Commodities expense related to noncash grant	46,371	-
Depreciation	5,324	-
Increase (decrease) in cash resulting from changes in operating assets and liabilities		
Due from other governments	(5,605)	-
Inventory	(3,769)	-
Accounts payable/Due to employees for flex benefits	5,137	(1,145)
	<u>\$ (484,562)</u>	<u>\$ 848</u>

Non-cash transactions

The Food Service Fund received USDA commodities valued at \$46,371.

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

	Private Purpose Trust Fund	Agency Fund Student Activities Fund
ASSETS		
Cash	\$ 2,261	\$ 191,684
Investments	248,142	-
Total assets	250,403	191,684
LIABILITIES		
Scholarships payable	5,467	-
Due to student groups	760	191,684
Total liabilities	6,227	191,684
NET ASSETS		
Held in trust for scholarships	244,176	-
Total net assets	\$ 244,176	\$ -

See accompanying notes to the financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
Year Ended June 30, 2012

	<u>Private Purpose Trust Fund</u>
Additions	
Scholarship donations	\$ 2,680
Interest income	<u>2,259</u>
Total additions	<u>4,939</u>
Deductions	
Scholarship awards	<u>7,468</u>
Total deductions	<u>7,468</u>
Change in net assets	<u>(2,529)</u>
Net assets - beginning of year	<u>246,705</u>
Net assets - end of year	<u><u>\$ 244,176</u></u>

See accompanying notes to the financial statements

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CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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. However, the District serves as the nucleus for the reporting entity under the provisions of GASB Statements No. 14 and 39 for its basic financial statements. Using this premise these financial statements present the District (the primary government) and its component units. The component units discussed below are included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

Blended Component Unit

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. Although it is legally separate from the District, the BOCHES is reported as if it were part of the primary government because their board is substantially the same as the District's Board of Trustees (i.e., four of the five members are also 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 the Western Wyoming Community College. The BOCHES may impose up to 2½ mills on the District's assessed valuation for operations. The BOCHES does not prepare separately issued financial statements.

Discretely Presented Component Unit

The component unit column in the combined financial statements includes the financial data of the District's Recreation Board. The Recreation Board is reported in a separate column to emphasize that it is 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 assets and the statement of changes in net assets) 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, 2012

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* (BOCHES) accounts for the proceeds of specific and financial sources that are legally restricted to expenditure for the specific purpose of BOCHES.

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.

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 District reports the following major proprietary fund:

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

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.

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 Fund* accounts for resources held by the District in a custodial capacity, and consists of funds that are the property of students or others.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The District also has the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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 fund are charges to students and faculty for food services. 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.

Assets, Liabilities, and Net Assets or Equity

Deposits and Investments and Restricted 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.

State statutes authorize the District to invest in securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, bank certificates of deposit, shares or savings certificates of savings and loan associations, Tennessee Valley Authority bonds and notes and export-import bank notes and guaranteed participations. 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 assets 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. These pools invest in obligations of the U.S. Treasury and other investments as authorized by Wyoming Statutes.

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Accounts Receivable

The District considers all accounts receivable to be fully collectible at June 30, 2012 and, therefore no allowance for doubtful accounts is deemed necessary. Accounts receivable include \$336,228 receivable from the District's employees for IBNR claims costs due to the change in the health insurance provider.

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 assets, 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 May 11. Taxes are levied on or about August 1 and payable in two installments on September 1 and March 1. 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.

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 six mills is levied, BOCHES district tax for three mills and a recreation district tax for one 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, 2012 was thirty-five mills.

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.

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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

Capital Assets (Continued)

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 primary government are depreciated using the straight line method over the following estimated useful lives.

Assets	Years
Buildings	50
Building improvements	20
Vehicles	8-12
Furniture, machinery, equipment, and software	3-25

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.

Fund Balance

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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (Continued)

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.

Restricted Net Assets

For the government-wide financial statements, net assets are reported as restricted when constraints placed on net assets 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.

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.

Budgets for the General Special Revenue and Capital Projects Funds are adopted 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.

The District amended its 2011-12 budget to decrease the general fund's facilities acquisition and construction and increase payment to other governments by \$330,000.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 3. Detailed Notes on All Funds

Deposits and Investments

As of June 30, 2012, the District had the following investments:

Investment Type	Fair Value	1 year or less	Interest Rate	Rating
Wyoming Government				
Investment Fund Pool (WGIF)				
District	\$ 2,210,384	\$ 2,210,384	0.08%	AAAm
BOCHES	1,726,462	1,726,462	0.08%	AAAm
	3,936,846	3,936,846		AAAm
Certificates of Deposit	1,657,538	1,657,538	0.20%	N/A
	<u>\$ 5,594,384</u>	<u>\$ 5,594,384</u>		
District restricted	<u>\$ 27,741,518</u>	<u>\$ 27,741,518</u>	0.08%	AAAm
Private Purpose Trust Fund				
Certificate of Deposit	<u>\$ 248,142</u>	<u>\$ 248,142</u>	0.25%	N/A

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. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Under investment agreements with WGIF, the District has invested monies at a fixed contract rate of interest. Because the security is essentially a written contract, there is no rating available for such an investment; however, under Wyoming statutes, underlying providers are required to have the highest rating from at least one of the nationally recognized rating organizations. The WGIF fund has AAAm rating. WGIF issues audited financial statements which can be obtained through Wyoming School Board Association at 2323 Pioneer Avenue, Cheyenne, Wyoming 82001.

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, 2012, 95% of the District's investments were with WGIF and 5% in Certificates of Deposit.

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, 2012, 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. State statutes limit the type of investments the District can use. Statutes limit investments primarily to securities issued or guaranteed by the U.S. Treasury or agencies of the United States government, therefore, reducing the District's exposure to custodial credit risk for its investments. The only other significant exposure is for securities held by securities brokers or other banks.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets

A summary of changes in capital assets follows:

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 941,359	\$ -	\$ 6,780	\$ 934,579
Construction in progress	90,319	408,371	98,300	400,390
Total capital assets not being depreciated	1,031,678	408,371	105,080	1,334,969
Capital assets, being depreciated				
Buildings and improvements	56,506,140	742,853	-	57,248,993
Vehicles	3,077,206	591,270	-	3,668,476
Furniture and equipment	949,241	76,558	12,581	1,013,218
Total capital assets being depreciated	60,532,587	1,410,681	12,581	61,930,687
Less accumulated depreciation				
Buildings and improvements	16,564,441	1,149,430	-	17,713,871
Vehicles	2,507,829	232,340	-	2,740,169
Furniture and equipment	564,730	110,535	12,581	662,684
Total accumulated depreciation	19,637,000	1,492,305	12,581	21,116,724
Total capital assets, being depreciated, net	40,895,587	(81,624)	-	40,813,963
Governmental activities capital assets, net	\$ 41,927,265	\$ 326,747	\$ 105,080	\$ 42,148,932
Business-type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 173,675	\$ -	\$ -	\$ 173,675
Equipment	200,347	-	-	200,347
Total capital assets being depreciated	374,022	-	-	374,022
Less accumulated depreciation				
Buildings	163,258	3,474	-	166,732
Equipment	193,383	1,850	-	195,233
Total accumulated depreciation	356,641	5,324	-	361,965
Business-type activities capital assets, net	\$ 17,381	\$ (5,324)	\$ -	\$ 12,057

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 3. Detailed Notes on All Funds (Continued)

Capital Assets (Continued)

The District has \$1,450,366 assets under capital leases with accumulated amortization of \$609,855. The amortization expense for the fiscal year ended June 30, 2012 was \$188,823.

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

Governmental activities	
Regular instruction	\$ 78,477
Pupil transportation	221,018
BOCHES	39,440
Operation and maintenance of plant services	1,153,370
Total depreciation expenses - governmental activities	<u>\$ 1,492,305</u>
Business-type activities	
Food service fund	\$ 5,324
Total depreciation expenses - business-type activities	<u>\$ 5,324</u>

Long-term Debt

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease purchase obligations	\$ 492,951	\$ 542,638	\$ 268,441	\$ 767,148	\$ 274,004
Series 2012 bonds	-	26,500,000	-	26,500,000	475,000
Premium on Series 2012 bonds	-	1,664,073	8,157	1,655,916	97,887
Retainage payable	450,000	15,323	450,000	15,323	15,323
Accrued compensated absences	408,323	-	83,974	324,349	46,923
	<u>\$ 1,351,274</u>	<u>\$ 28,722,034</u>	<u>\$ 810,572</u>	<u>\$ 29,262,736</u>	<u>\$ 909,137</u>

For the governmental activities, debt is generally liquidated by the general fund, and debt related to Series 2012 bonds will be liquidated by the debt service fund. Debt related to BOCHES is liquidated by the BOCHES fund.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 3. Detailed Notes on All Funds (Continued)

Long-term Debt (Continued)

As of June 30, 2012 the District had the following outstanding capital lease obligations:

Lease/purchase obligation on copier equipment; interest rate of 5.02%, due in monthly installments of \$8,436 including interest through December 2015; collateralized with copiers.	\$ 27,028
Lease/purchase obligation on copier equipment; interest rate of 4.6%, due in quarterly installments of \$18,064 including interest through December 2013; collateralized with copiers.	104,134
Lease/purchase obligation on copier equipment; interest rate of 4.6%, due in quarterly installments of \$3,362 including interest through December 2016; collateralized with copiers.	54,384
Lease/purchase obligations for four buses; interest rate of 4.10%, due in annualy installments of \$104,478 including interest through May 2014; collateralized with buses.	196,355
Lease/purchase obligations for four buses; interest rate of 4.10%, due in annual installments of \$106,384 including interest through May 2016; collateralized with buses.	385,247
	<u>767,148</u>
Less current	<u>274,004</u>
Long term debt	<u>\$ 493,144</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012, are as follows:

Year Ending June 30	BOCHES Total	District Total	Total Principal and Interest
2013	\$ 8,436	\$ 296,568	\$ 305,004
2014	8,436	260,022	268,458
2015	8,436	119,833	128,269
2016	4,218	119,833	124,051
2017	-	6,724	6,724
Total minimum lease payments	<u>29,526</u>	<u>802,980</u>	<u>832,506</u>
Less: amount representing interest	<u>2,498</u>	<u>62,860</u>	<u>65,358</u>
Present value of minimum lease payments	<u>\$ 27,028</u>	<u>\$ 740,120</u>	<u>\$ 767,148</u>

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

June 30, 2012

Note 3. Detailed Notes on All Funds (Continued)***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 15th and interest payments are due June 15th and December 15th.

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

Year Ending June 30	Interest Rate	Series 2012		Total Principal and Interest
		Principal	Interest	
2013	0.50%	\$ 475,000	\$ 972,472	\$ 1,447,472
2014	3.00%	970,000	931,198	1,901,198
2015	1.00%	1,310,000	902,098	2,212,098
2016	1.25%	1,325,000	888,998	2,213,998
2017	4.00%	1,340,000	872,436	2,212,436
2018 to 2022	4% to 5%	7,575,000	3,497,680	11,072,680
2023 to 2027	3.1% to 4%	9,315,000	1,753,350	11,068,350
2028 to 2029	4.5% to 3.375%	4,190,000	236,701	4,426,701
		<u>\$ 26,500,000</u>	<u>\$ 10,054,933</u>	<u>\$ 36,554,933</u>

Cost issuance and premium amortization on the Series 2012 bonds is scheduled as follows:

Year Ending June 30	Series 2012	
	Cost issuance amortization	Premium amortization
2013	\$ 18,208	\$ 97,887
2014	18,208	97,887
2015	18,208	97,887
2016	18,208	97,887
2017	18,208	97,887
2018 to 2022	91,042	489,435
2023 to 2027	91,042	489,435
2028 to 2029	34,902	187,611
	<u>\$ 308,026</u>	<u>\$ 1,655,916</u>

Operating Leases

The District and BOCHES lease certain portable classroom buildings, other office classroom space, and equipment under non-cancelable operating leases. For the year ended June 30, 2012, total rental expense was approximately \$129,000. This amount includes \$21,000 paid by BOCHES to the District. The rental income and expense between the District and BOCHES were reclassified as transfers for the financial statement presentation.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 3. Detailed Notes on All Funds (Continued)

Interfund Receivables, Payables and Transfers

The composition of the interfund balances as of June 30, 2012 is as follows:

	Interfund Receivable	Interfund Payable
Primary government		
General Fund	\$ 683,970	\$ -
Capital Construction Fund	1,922	165,889
Grants Fund	-	520,003
	<u>\$ 685,892</u>	<u>\$ 685,892</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.

During the fiscal year ended June 30, 2012 the District had the following interfund transfers:

	Transfers in	Transfers out
General Fund	\$ 186,889	\$ 151,170
Grants Fund	1,170	-
Capital Projects Fund	-	165,889
BOCHES	-	21,000
Food Service Fund	150,000	-
	<u>\$ 338,059</u>	<u>\$ 338,059</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.

Retirement Plan

The District contributes to the Wyoming Retirement System ("System"), a statewide cost-sharing multiple-employer public employee retirement system (PERS). The System provides retirement, disability and death benefits according to predetermined formulas. Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The System issued a publicly available financial report that includes audited financial statements and required supplementary information for the System. The report may be obtained by writing to the Wyoming Retirement System, Fifth Floor West, 6101 Yellowstone Road, Cheyenne, Wyoming 82002.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note 3. Detailed Notes on All Funds (Continued)

Retirement Plan (Continued)

Plan members are required to contribute 7.00% of their annual covered salary and the District is required to contribute 7.12% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The District and BOCHES currently pay 100% of the required employee contribution. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes. The District's contributions to the System, excluding BOCHES, for the years ending June 30, 2012, 2011 and 2010 were approximately \$2,133,908, \$2,092,687, and \$1,674,100, respectively, which equaled 100% of the required contributions for each year. BOCHES contributions for the fiscal year ended June 30, 2012, 2011, 2010 were approximately \$180,321, \$167,100, and \$124,600 respectively.

Risk Management

General Liability

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, 2012 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, 2012, the District including BOCHES paid approximately \$104,345 into the State Worker's Compensation System.

The District is a member of the Wyoming School Boards Association Insurance Trust (WSBAIT), a public entity risk pool currently operating as a health and welfare risk management and insurance program for several school districts in Wyoming. The agreement with WSBAIT provides that health and welfare benefits will be provided by insurance purchased by WSBAIT. The District pays WSBAIT an annual premium, subject to annual adjustment, for these benefits. For the fiscal years ended June 30, 2012 and 2011, the District paid to WSBAIT \$2,591,535 and \$2,554,765, respectively. In the event the District elects to withdraw from WSBAIT, the District would be allowed to retain 75% of their contributed or assessed net pro rata reserves. The remaining net balance would be paid back to the District by WSBAIT at a rate of 25% per year over the three years. Effective July 1, 2012, the District withdrew from WSBAIT and joined Wyoming Educators Benefit Trust (WEBT). The District is responsible for all incurred but not reported claims resulting from the withdrawal from WSBAIT. At June 30, 2012, the District accrued \$350,446 as an estimate for incurred but not reported claims. The cost of the incurred but not reported claims will be paid by the District's employees and a receivable has been recorded in the amount of \$ 336,228 which is net of the amount paid by the employees in 2012. The amount of the District's net balance of the reserves in WSBAIT as of June 30, 2012 has not been estimated and has not been accrued as a receivable. However, the District believes the amount receivable would not be material to the financial statements.

Transactions with discretely presented component units

During the fiscal year ended June 30, 2012, the District received \$150,000 from the Recreation Board to operate the swimming pool.

Note 3. Detailed Notes on All Funds (Continued)

Commitments and Contingencies

As of June 30, 2012, the District had the following outstanding contract commitments:

	Contract Amount	Completed Amount	Outstanding Amount
Rawlins High School	\$ 2,333,607	\$ 152,713	\$ 2,180,894
Carbon County Higher Education	455,649	52,661	402,988
Little Snake River Valley projects	726,977	112,123	614,854
Major maintenance	500,768	78,864	421,904
	<u>\$ 4,017,001</u>	<u>\$ 396,361</u>	<u>\$ 3,620,640</u>

The projects listed above will be financed by reimbursements from the Wyoming School Facilities Division and 2012 Series bonds, and major maintenance allocations from the Wyoming School Foundation.

During the fiscal year, the District received a notice from the U.S. Equal Employment Opportunity Commission that a discrimination complaint had been filed. At the date the financial statements were issued, this claim was still being investigated. Although the outcome of these matters is currently not determinable, the ultimate cost to resolve these matters is not expected to have a material effect on the financial statements.

Subsequent Events

Subsequent to year end, a dispute developed between the District, general contractor and their sub-contractor for the demolition of Mt. View and Pershing Elementary schools. The dispute may have to be resolved through litigation. At this time management does not know if there will be any financial impact to the District. BOCHES purchased land in the amount of \$165,000 subsequent to year end.

Accounting Standards Issued, But Not Implemented

As of June 30, 2012, the Governmental Accounting Standards Board has issued the following standards which the Carbon County School District No. 1 may implement in its next fiscal year.

Governmental Accounting Standard No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, was issued to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. This Statement also clarifies the reporting of equity interests in legally separate organizations. This standard applies to financial statements for periods beginning after June 15, 2012. Currently, BOCHES is presented as a blended component unit based on the "substantively the same governing body" criterion. When implemented, this standard could change the presentation of BOCHES in the financial statements.

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

Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 20,300,500	\$ 20,300,500	\$ 21,477,456	\$ 1,176,956
County sources	5,007,500	5,007,500	6,215,097	1,207,597
State sources	300,000	300,000	62,396	(237,604)
Other sources	(800,000)	(800,000)	28,519	828,519
Total revenues	<u>24,808,000</u>	<u>24,808,000</u>	<u>27,783,468</u>	<u>2,975,468</u>
Expenses				
Instruction	15,665,712	15,665,712	14,916,870	748,842
Instructional support	2,669,189	2,669,189	2,282,375	386,814
Support Services - general support	9,846,324	9,846,324	8,655,419	1,190,905
Facilities acquisition and construction	850,000	520,000	-	520,000
Payment to other government units	1,330,000	1,660,000	1,659,640	360
Total expenditures	<u>30,361,225</u>	<u>30,361,225</u>	<u>27,514,304</u>	<u>2,846,921</u>
Excess (deficiency) of revenues over expenditures	<u>(5,553,225)</u>	<u>(5,553,225)</u>	<u>269,164</u>	<u>5,822,389</u>
Change in fund balance	<u>(5,553,225)</u>	<u>(5,553,225)</u>	<u>269,164</u>	<u>\$ 5,822,389</u>
Fund balance - beginning of year	<u>4,690,616</u>	<u>4,690,616</u>	<u>4,690,616</u>	
Fund balance - end of year	<u>\$ (862,609)</u>	<u>\$ (862,609)</u>	<u>\$ 4,959,780</u>	

See accompanying note to the required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (BUDGETARY BASIS) BOARD OF COOPERATIVE EDUCATION SERVICES Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Revenues - all	\$ 2,759,067	\$ 2,759,067	\$ 2,944,381	\$ 185,314
Total revenues	<u>2,759,067</u>	<u>2,759,067</u>	<u>2,944,381</u>	<u>185,314</u>
Expenditures				
Personnel	2,245,496	2,245,496	1,983,496	262,000
Administration	895,267	895,267	381,805	513,462
Vocational	1,551,215	1,551,215	540,699	1,010,516
Total expenditures	<u>4,691,978</u>	<u>4,691,978</u>	<u>2,906,000</u>	<u>1,785,978</u>
Excess (deficiency) of revenues over expenditures	<u>(1,932,911)</u>	<u>(1,932,911)</u>	<u>38,381</u>	<u>\$ 1,971,292</u>
Fund balance - beginning of year	<u>3,623,426</u>	<u>3,623,426</u>	<u>3,623,426</u>	
Fund balance - end of year	<u>\$ 1,690,515</u>	<u>\$ 1,690,515</u>	<u>\$ 3,661,807</u>	

See accompanying note to the 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 Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 817,523	\$ 817,523	\$ 811,541	\$ (5,982)
Interest	20,000	20,000	5,529	(14,471)
Total revenues	837,523	837,523	817,070	(20,453)
Expenditures				
Capital outlay	1,850,527	1,850,527	684,960	1,165,567
Total expenditures	1,850,527	1,850,527	684,960	1,165,567
Excess (deficiency) of revenues over expenditures	(1,013,004)	(1,013,004)	132,110	\$ 1,145,114
Fund balance - beginning of year	1,013,381	1,013,381	1,013,381	
Fund balance - end of year	\$ 377	\$ 377	\$ 1,145,491	

See accompanying note to the required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)**

GRANTS FUND

Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 5,259,953	\$ 5,259,953	\$ 1,803,926	\$ (3,456,027)
State sources	600,000	600,000	729,508	129,508
Local sources	100,000	100,000	120,000	20,000
Investment earnings	-	-	276	276
Total revenues	<u>5,959,953</u>	<u>5,959,953</u>	<u>2,653,710</u>	<u>(3,306,243)</u>
Expenditures				
General instruction	5,300,000	5,300,000	2,936,699	2,363,301
Instructional support	200,000	200,000	-	200,000
General support	500,000	500,000	13,425	486,575
Total expenditures	<u>6,000,000</u>	<u>6,000,000</u>	<u>2,950,124</u>	<u>3,049,876</u>
Deficiency of revenues over expenditures	<u>(40,047)</u>	<u>(40,047)</u>	<u>(296,414)</u>	<u>(256,367)</u>
Other financing sources				
Transfers in	-	-	1,170	(1,170)
sources	<u>-</u>	<u>-</u>	<u>1,170</u>	<u>(1,170)</u>
Net change in fund balances	<u>(40,047)</u>	<u>(40,047)</u>	<u>(295,244)</u>	<u>\$ (257,537)</u>
Fund balance - beginning of year	<u>(52,873)</u>	<u>(52,873)</u>	<u>(52,873)</u>	
Fund balance - end of year	<u>\$ (92,920)</u>	<u>\$ (92,920)</u>	<u>\$ (348,117)</u>	

See accompanying note to the required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2012

1. Explanation of Differences between Budgetary Basis and GAAP Basis

	General Fund	Board of Cooperative Higher Educational Service	Major Maintenance Fund	Grants Fund
Revenues				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 27,783,468	\$ 2,944,381	\$ 817,070	\$ 2,653,710
Differences - Budget Basis to GAAP				
Accrual of property taxes receivable	197,879	12,830	-	-
Intergovernmental revenue	(231,944)	6,180	-	322,238
Charges for service	(21,000)	(19,107)	-	-
Investment earnings	113	-	-	-
Contributions	336,228	-	-	-
Proceeds from sale of assets	(28,519)	-	-	-
Interest on recapture payment	18,261	-	-	-
Miscellaneous	(555)	-	-	-
Transfers	151,726	-	-	-
Taxes recorded in BOCHES	(1,659,640)	-	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,546,017</u>	<u>\$ 2,944,284</u>	<u>\$ 817,070</u>	<u>\$ 2,975,948</u>
Expenditures				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 27,514,304	\$ 2,906,000	\$ 684,960	\$ 2,950,124
Differences - Budget Basis to GAAP				
Accrual of accounts payable	675,152	(11,338)	41,903	17,450
IBNR claims expense	350,446	-	-	-
Taxes recorded in BOCHES	(1,659,640)	-	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,880,262</u>	<u>\$ 2,894,662</u>	<u>\$ 726,863</u>	<u>\$ 2,967,574</u>

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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, 2012

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,000,000	\$ 3,000,000	\$ 2,037,342	\$ (962,658)
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,037,342</u>	<u>(962,658)</u>
Expenditures				
Capital outlay	5,886,881	5,886,881	1,972,159	3,914,722
Total expenditures	<u>5,886,881</u>	<u>5,886,881</u>	<u>1,972,159</u>	<u>3,914,722</u>
Excess (deficiency) of revenues over expenditures	<u>(2,886,881)</u>	<u>(2,886,881)</u>	<u>65,183</u>	<u>\$ 2,952,064</u>
Fund balance - beginning of year	<u>133,041</u>	<u>133,041</u>	<u>133,041</u>	
Fund balance - end of year	<u>\$ (2,753,840)</u>	<u>\$ (2,753,840)</u>	<u>\$ 198,224</u>	

Note to the budgetary presentation

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

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, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Interest	\$ -	\$ -	\$ 11,815	\$ 11,815
Total revenues	-	-	11,815	11,815
Expenditures				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	11,815	\$ 11,815
Fund balance - beginning of year	2,753,839	2,753,839	2,753,839	
Fund balance - end of year	\$ 2,753,839	\$ 2,753,839	\$ 2,765,654	

Note to the budgetary presentation

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

STATISTICAL INFORMATION
(Unaudited)

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

Governmental Activities	2012	2011	2010	2009
Invested in capital assets, net of related debt	\$ 41,366,461	\$ 40,984,314	\$ 29,390,149	\$ 16,534,830
Restricted	7,651,094	7,347,945	3,472,334	-
Unrestricted	4,627,054	4,993,212	8,276,318	9,065,827
Total primary government net assets	<u>\$ 53,644,609</u>	<u>\$ 53,325,471</u>	<u>\$ 41,138,801</u>	<u>\$ 25,600,657</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 14,430,317	\$ 10,809,932	\$ 10,331,931	\$ 10,115,675	\$ 10,176,185	\$ 9,911,033
-	-	-	-	-	-
8,308,713	5,578,125	5,507,157	5,289,020	5,563,197	6,494,058
<u>\$ 22,739,030</u>	<u>\$ 16,388,057</u>	<u>\$ 15,839,088</u>	<u>\$ 15,404,695</u>	<u>\$ 15,739,382</u>	<u>\$ 16,405,091</u>

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

Expenses	2012	2011	2010	2009
Instructional programs	\$ 17,486,377	\$ 16,765,568	\$ 16,355,136	\$ 13,695,178
Support services				
Pupil transportation	1,301,515	1,162,602	1,069,416	1,247,277
Other support services	11,676,364	12,118,677	9,074,607	9,100,576
BOCHES	2,934,382	2,824,583	2,737,299	2,746,942
INBR claims expense	350,446	-	-	-
Nutrition services	803,904	747,581	737,048	671,628
Interest on long-term debt	41,760	25,172	28,414	16,324
Total expenses	34,594,748	33,644,183	30,001,920	27,477,925
Program revenue				
Charges for services	674,716	655,859	679,486	742,499
Operating grants and contributions	3,960,845	4,074,920	3,694,212	2,954,095
Capital grants	970,573	12,630,341	12,817,780	-
Total program revenues	5,606,134	17,361,120	17,191,478	3,696,594
General Revenues				
Taxes	34,348,744	29,057,277	45,521,368	34,716,336
Governmental aid	-	-	-	-
Investments	41,854	53,801	101,835	119,043
Recapture	(5,268,576)	(708,299)	(17,259,281)	(8,135,913)
Miscellaneous	162,363	32,291	16,960	(12,666)
Total revenues	34,890,519	45,796,190	45,572,360	30,383,394
Changes in net assets	\$ 295,771	\$ 12,152,007	\$ 15,570,440	\$ 2,905,469

2008	2007	2006	2005	2004	2003
\$ 11,669,817	\$ 13,143,082	\$ 12,264,231	\$ 10,208,395	\$ 9,904,881	\$ 9,107,524
1,249,827	1,008,269	838,941	948,078	910,740	797,838
8,499,619	7,919,040	6,458,814	6,991,170	5,952,548	5,653,838
2,698,414	2,440,668	1,850,407	1,678,861	1,220,465	1,488,542
-	-	-	-	-	-
634,728	568,918	527,918	447,057	443,539	443,726
18,609	28,999	37,318	34,276	23,147	28,815
24,771,014	25,108,976	21,977,629	20,307,837	18,455,320	17,520,283
792,177	689,107	634,962	502,934	455,094	506,360
2,434,756	2,868,543	2,066,508	1,766,328	1,671,474	1,273,867
-	-	-	-	-	-
3,226,933	3,557,650	2,701,470	2,269,262	2,126,568	1,780,227
36,020,500	36,411,660	30,539,387	19,990,833	12,539,109	20,987,462
-	-	468,744	1,315,988	2,274,087	787,531
215,601	280,974	364,168	100,655	43,989	110,641
(8,425,945)	(14,436,820)	(11,790,054)	(3,500,549)	-	(2,470,498.00)
92,768	6,104	131,218	(200,000)	19,073	24,689
31,129,857	25,819,568	22,414,933	19,976,189	17,002,826	21,220,052
\$ 6,358,843	\$ 710,592	\$ 437,304	\$ (331,648)	\$ (1,452,494)	\$ 3,699,769

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

	2012	2011	2010	2009
General Fund				
Unspendable	\$ 26,076	\$ 55,226	\$ 58,892	\$ 41,269
Restricted	120,000	-	1,404,486	-
Unassigned	5,148,385	4,966,604	2,972,790	4,172,576
	<u>5,294,461</u>	<u>5,021,830</u>	<u>4,436,168</u>	<u>4,213,845</u>
Total General Fund	<u>\$ 5,294,461</u>	<u>\$ 5,021,830</u>	<u>\$ 4,436,168</u>	<u>\$ 4,213,845</u>
All Other Governmental Funds				
Restricted				
Major Maintenance Fund	\$ 1,101,928	\$ 1,011,721	\$ 744,292	\$ 694,056
Depreciation Fund	2,765,654	2,753,839	2,728,042	1,600,000
Capital Construction Fund	27,516,850	-	-	-
Donors	52,505	42,961	-	-
BOCHES	3,611,007	3,582,385	3,869,084	2,651,551
Committed				
Capital Construction Fund	4,293	133,041	132,960	139,822
Unassigned				
Grant Fund	-	-	(11,268)	27,053
Other Governmental Funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 35,052,237</u>	<u>\$ 7,523,947</u>	<u>\$ 7,463,110</u>	<u>\$ 5,112,482</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 33,840	\$ 33,841	\$ 37,416	\$ 404,566	\$ 202,500	\$ 37,416
-	-	-	-	-	-
<u>4,582,897</u>	<u>2,610,849</u>	<u>2,785,370</u>	<u>3,570,551</u>	<u>3,343,629</u>	<u>2,803,540</u>
<u>\$ 4,616,737</u>	<u>\$ 2,644,690</u>	<u>\$ 2,822,786</u>	<u>\$ 3,975,117</u>	<u>\$ 3,546,129</u>	<u>\$ 2,840,956</u>
\$ 1,116,574	\$ 1,177,729	\$ 934,482	\$ 237,265	\$ 563,543	\$ 562,906
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,466,255</u>	<u>1,885,545</u>	<u>1,422,477</u>	<u>1,017,342</u>	<u>860,671</u>	<u>806,451</u>
147,225	59,752	-	-	-	-
86,102	22,929	-	-	-	-
<u>-</u>	<u>-</u>	<u>9,574</u>	<u>45,635</u>	<u>3,586</u>	<u>(12,745)</u>
<u>\$ 3,816,156</u>	<u>\$ 3,145,955</u>	<u>\$ 2,366,533</u>	<u>\$ 1,300,242</u>	<u>\$ 1,427,800</u>	<u>\$ 1,356,612</u>

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

	2012	2011	2010	2009
Revenues				
Taxes	\$ 32,090,098	\$ 26,453,598	\$ 43,720,800	\$ 32,681,790
Intergovernmental revenues	6,438,873	18,957,325	17,760,655	5,915,332
Charges for services	403,431	390,845	416,481	460,550
Investment income	41,509	53,078	100,900	118,149
Miscellaneous	483,136	29,844	22,032	20,683
Public contributions	145,000	5,000	-	-
Repayment to State Foundation	-	(29,924)	-	(54,878)
Recapture payment	(5,268,576)	(708,299)	(17,259,281)	(8,135,913)
Total revenues	<u>34,333,471</u>	<u>45,151,467</u>	<u>44,761,587</u>	<u>31,005,713</u>
Expenditures				
Instruction	17,972,732	17,404,217	15,956,965	15,192,569
Support services	16,825,144	26,867,033	13,581,537	14,051,794
Facilities acquisition and construction	-	-	12,856,190	931,154
Debt service				
Principal	268,442	154,883	152,192	199,948
Interest	51,462	26,071	28,612	17,102
Total expenditures	<u>35,117,780</u>	<u>44,452,204</u>	<u>42,575,496</u>	<u>30,392,567</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(784,309)</u>	<u>699,263</u>	<u>2,186,091</u>	<u>613,146</u>
Other financing sources (uses)				
Transfers in	188,059	81,547	1,100,000	1,600,000
Transfers (out)	(338,059)	(171,547)	(1,180,000)	(1,640,000)
Proceeds from bond issuance	26,500,000	-	-	-
Proceeds from bond premium	1,664,073	-	-	-
Proceeds from capital lease	542,638	37,236	466,860	320,288
Total other financing sources (uses)	<u>28,556,711</u>	<u>(52,764)</u>	<u>386,860</u>	<u>280,288</u>
Net changes in fund balances	<u>27,772,402</u>	<u>646,499</u>	<u>2,572,951</u>	<u>893,434</u>
Fund balance				
Beginning of year	12,545,777	11,899,278	9,326,327	8,432,893
Prior period adjustment	-	-	-	-
Fund balances, beginning of year as restated	12,545,777	11,899,278	9,326,327	8,432,893
Change in inventory	-	-	-	-
End of year	<u>\$ 40,318,179</u>	<u>\$ 12,545,777</u>	<u>\$ 11,899,278</u>	<u>\$ 9,326,327</u>

2008	2007	2006	2005	2004	2003
\$ 31,861,617	\$ 31,138,943	\$ 23,797,293	\$ 15,112,694	\$ 10,670,936	\$ 13,947,771
7,333,440	9,142,655	8,832,472	4,232,534	7,521,614	4,350,646
470,220	405,770	408,935	278,955	237,685	273,999
214,071	270,175	354,591	-	-	-
94,482	33,287	138,390	136,732	82,782	172,217
-	-	-	-	-	-
(31,648)	(119,322)	-	-	-	-
(8,425,945)	(14,436,820)	(11,790,054)	-	-	-
31,516,237	26,434,688	21,741,627	19,760,915	18,513,017	18,744,633
13,399,286	14,431,652	11,714,390	11,354,415	10,922,989	10,463,366
12,310,094	11,566,331	9,555,236	6,234,885	6,210,446	5,936,973
2,820,415		537,125	1,738,151	872,552	114,156
254,281	256,323	326,578	238,851	110,774	2,061,341
19,913	30,770	38,327	34,276	23,147	28,815
28,803,989	26,285,076	22,171,656	19,600,578	18,139,908	18,604,651
2,712,248	149,612	(430,029)	160,337	373,109	137,982
85,568	353,421	-	-	-	-
(155,568)	(83,130)	(63,336)	(48,000)	(250,000)	(450,000)
-	-	-	-	-	1,955,000
-	-	-	-	-	-
-	-	415,803	158,498	675,367	-
(70,000)	270,291	352,467	110,498	425,367	1,505,000
2,642,248	419,903	(77,562)	270,835	798,476	1,642,982
5,790,645	5,189,319	5,275,359	4,976,484	4,195,014	2,554,586
-	184,998	-	-	-	-
5,790,645	5,374,317	5,275,359	4,976,484	4,195,014	2,554,586
-	(3,575)	(8,478)	28,040	(17,006)	(2,554)
\$ 8,432,893	\$ 5,790,645	\$ 5,189,319	\$ 5,275,359	\$ 4,976,484	\$ 4,195,014

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
2001	15,185	\$ 26,418	8.4	\$ 401,164	5.6
2002	15,224	27,068	2.5	412,083	2.7
2003	15,183	28,741	6.2	436,381	5.9
2004	15,185	29,894	4.0	453,940	4.0
2005	15,012	34,599	15.7	519,399	14.4
2006	15,042	37,697	9.0	567,032	9.2
2007	15,397	39,408	4.5	606,770	7.0
2008	15,564	43,132	9.4	671,300	10.6
2009	15,720	39,556	(8.3)	621,821	(7.4)
2010	15,834	38,291	(3.2)	606,298	(2.5)
2011	15,786	41,165	7.0	649,829	6.7
2012	*	*	*	*	*

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

Source: US Department of Commerce Bureau of Economic Analysis
Carbon County , U.S. Bureau of Census 2010

* Information not available

CARBON COUNTY SCHOOL DISTRICT #1
CAPITAL ASSET FACILITIES INFORMATION
AS OF JUNE 30, 2012
(Unaudited)

Building	Year of Original Construction	Square Footage	Enrollment 10/2010	Average Age of Building (in years)
Elementary Schools				
Mountain View	1949	30,436	-	62
Sinclair	1936	10,865	36	75
Rawlins Elementary K-1 (Highland Hills)	1982	36,228	262	29
Rawlins Elementary (2-5)	2011	986,358	503	1
Total		1,063,887		
Middle Schools				
Rawlins Middle School	1978	91,846	269	33
Total		91,846		
High Schools				
Rawlins High School	1957	230,325	444	54
Total		230,325		
K-12 Building				
Little Snake River	1972	55,837	119	39
Total		55,837		
Other Buildings				
Administrative Office and COOP High School	1949	28,270	18	62
Maintenance Facility	1978	6,758		33
Stadium	1982	23,659		29
Bus Garage Rawlins	1976	21,250		35
Bus Garage Baggs	1980	4,500		31
Track Storage Baggs	1987	1,772		24
Total		86,209		

(1) Wyoming School Facilities Calculation 2011

(2) Building to be demolished 2011

Many buildings have undergone remodels or additions since original construction

Source: Wyoming School Facilities Division, Carbon County School District #1 records

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
2003	1728	\$ 13,390,877	\$ 7,749	*	*
2004	1664	13,887,965	8,346	*	*
2005	1727	15,408,441	8,922	2,192	9,752
2006	1753	17,555,105	10,014	4,367	13,960
2007	1815	20,470,192	11,278	5,701	14,255
2008	1787	20,323,183	11,373	11,703	15,469
2009	1803	22,350,690	12,396	7,566	11,173
2010	1822	22,829,775	12,530	7,588	18,217
2011	1856	24,836,562	13,382	5,338	11,056
2012	1826	26,880,262	14,721	10,953	25,899

(1) Fall Enrollment

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

* Information not available

Nutritional Services Program

Lunch

Paid	Free or Reduced	Total Meals	Students Free and Reduced	Percent of Total Enrollment
*	*	*	485	28
*	*	*	479	29
67,408	60,981	140,333	521	30
88,020	71,246	177,593	493	28
106,908	68,180	195,044	506	28
119,509	69,714	216,395	550	31
102,472	79,006	200,217	718	40
94,968	90,379	211,152	680	37
93,498	90,428	200,320	669	36
51,043	128,848	216,743	648	35

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

Student Transportation

Year Ended June 30	Total Buses	Total Miles	Students Transported Daily	Percent of Students (ADM) Transported
2003	43	320,059	632	36.23
2004	54	327,903	608	35.91
2005	53	305,581	492	29.84
2006	53	255,002	607	35.31
2007	39	229,399	610	35.88
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	652	35.12
2012	39	317,749	853	46.71

(1) Fall Enrollment

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

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
2003	12.000	6.000	25.000	0.000	1.000	1.500
2004	12.000	6.000	25.000	0.000	1.000	1.500
2005	12.000	6.000	25.000	0.000	1.000	1.500
2006	12.000	6.000	25.000	0.000	1.000	1.500
2007	12.000	6.000	25.000	0.000	1.000	1.500
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	0.000	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	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500
1.000	46.500

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
2003	\$ 361,253,785	\$ -	\$ -	\$ -	\$ -	\$ -
2004	549,273,641	-	-	-	-	-
2005	687,871,624	-	-	-	-	-
2006	951,619,394	-	-	-	-	-
2007	956,032,175	-	-	-	-	-
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	-	-

(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%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	-	0%
-	-	26,500,000	2.80%

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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)
1993	\$ 234,401,014	-0.05
1994	236,487,959	0.01
1995	217,005,083	-0.08
1996	232,813,739	0.07
1997	300,944,538	0.29
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

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
2003	\$ 7,174,946	\$ 10,747,714	\$ 40,068,475	\$ 57,991,135	\$ 9,052,231	\$ 198,973,451
2004	8,568,490	10,890,764	41,591,055	61,050,309	7,142,514	366,142,219
2005	8,574,397	11,810,099	45,856,394	66,240,890	3,051,584	447,125,250
2006	8,893,032	12,610,642	49,399,893	70,903,567	*	657,795,481
2007	8,495,565	13,197,917	61,643,389	83,336,871	*	586,480,586
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	20,060,820	81,832,414	112,615,396	*	*

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

* Information not available.

	Miscellaneous	
Oil	Minerals	Total Minerals
\$ 30,522,140	\$ 213,404	\$ 238,761,226
35,740,481	307,513	409,332,727
61,475,195	486,072	512,138,101
71,674,063	988,489	730,458,033
88,579,826	1,352,635	676,413,047
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
*	*	*

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)
1992	2379	(0.02)	2002	1778	(0.08)
1993	2346	(0.01)	2003	1728	(0.03)
1994	2224	(0.05)	2004	1664	(0.04)
1995	2240	0.01	2005	1727	0.04
1996	2216	(0.01)	2006	1753	0.02
1997	2076	(0.06)	2007	1815	0.04
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	1826	0.00

(1) Fall Enrollment

Source: Wyoming Department of Education

* Information not available

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
2003	1728	134	12.90 : 1
2004	1664	135	12.34 : 1
2005	1727	138	12.52 : 1
2006	1753	143	12.26 : 1
2007	1815	148	12.28 : 1
2008	1787	153	11.70 : 1
2009	1803	156	11.57 : 1
2010	1822	154	11.80 : 1
2011	1814	160	11.34 : 1
2012	1826	*	* *

(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
2003	1744	\$ 207,111
2004	1693	324,409
2005	1649	417,146
2006	1719	553,569
2007	1700	562,262
2008	1795	543,728
2009	1805	702,310
2010	1791	428,148
2011	1827	509,891
2012	1812	522,774

Source: Wyoming Department of Education

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
2003	124.29	9.62	37.71	66.44	238.06
2004	134.27	11.34	40.83	72.43	258.87
2005	134.87	25.99	27.87	77.62	266.35
2006	137.91	31.98	30.81	76.76	277.46
2007	142.73	37.61	42.87	79.72	302.93
2008	147.84	35.77	35.64	82.05	301.3
2009	152.79	35.32	39.62	75.58	303.31
2010	154.40	44.59	47.69	84.36	331.04
2011	159.72	29.55	64.87	74.22	328.36
2012	*	*	*	*	*

Source: Wyoming Department of Education

*Information not available

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FEDERAL FINANCIAL ASSISTANCE REPORTS

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CARBON COUNTY SCHOOL DISTRICT #1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Pass through Grantors Numbers	CFDA #	Expenditures
U.S. Department of Agriculture			
Passed through Wyoming Department of Education			
Child Nutrition Cluster			
School Breakfast Program	-	10.553	\$ 47,673
National School Lunch Program	-	10.555	253,605
National School Lunch Program - USDA			
Commodities	-	10.555	46,371
Summer Food Service Program for Children	-	10.559	10,735
Total Child Nutrition Cluster			<u>358,384</u>
Child and Adult Food Care Program	-	10.558	5,852
Total U.S. Department of Agriculture			<u>364,236</u>
National Endowment for the Arts			
Passed through the Wyoming Arts Council			
Promotion of the Arts Partnership Agreements	-	45.025	<u>1,000</u>
Passed through the Wyoming Humanities Council			
Promotion of the Humanities Federal/State Partnership	-	45.129	<u>1,641</u>
Total National Endowment for the Arts			<u>2,641</u>
U.S. Department of Education			
Passed Through Wyoming Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	1204012T1A00	84.010A	464,799
Title I Grants to Local Educational Agencies	110401T1SW00	84.010A	159,626
Title I Grants to Local Educational Agencies	110401T1A00	84.010A	145,672
Title I Grants to Local Educational Agencies	100401T1SIW0	84.010A	1,983
Title I Grants to Local Educational Agencies	110401T1SIA0	84.010A	140,269
			<u>912,349</u>
Title I Grants to Local Educational Agencies,			
Recovery Act - ARRA	100401A1SW00	84.389A	1,401
Recovery Act - ARRA	100401AT1A00	84.389A	4,687
			<u>6,088</u>
Total Title I, Part A Cluster			<u>918,437</u>
Special Education Cluster			
Special Education - Grants to States	1204012T6100	84.027A	487,585
Special Education - Grants to States	110401VIB00	84.027A	256,821
			<u>744,406</u>
Special Education - Preschool Grants,	110401VIBP00	84.173A	<u>11,950</u>
Special Education - Grants to States,			
Recovery Act - ARRA	100401VIB00	84.391A	47,380
Special Education - Preschool Grants,			
Recovery Act - ARRA	100401AIBP00	84.392A	13,454
Total Special Education Cluster			<u>817,190</u>
Vocational Education - Basic Grants to States	1204012VEA00	84.048A	24,005
Vocational Education - Basic Grants to States	110401VEA00	84.048A	24,899
			<u>48,904</u>

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass thru Grantors Numbers</u>	<u>CFDA #</u>	<u>Expenditures</u>
US Department of Education (continued)			
Passed through Wyoming Department of Education			
Safe and Drug-Free Schools and Communities - State Grants	100401SDFS00	84.186A	\$ 1,403
Safe and Drug-Free Schools and Communities - State Grants	-	84.186B	5,322
			<u>6,725</u>
Educational Technology State Grants Cluster			
Education Technology State Grants	110401T2D00	84.318X	<u>5,178</u>
Total Educational Technology State Grants Cluster			<u>5,178</u>
English Language Acquisition Grants	1204012T3E00	84.365A	16,873
English Language Acquisition Grants	110401T3E00	84.365A	26,358
			<u>43,231</u>
Improving Teacher Quality State Grants	1204012T2A00	84.367A	166,135
Improving Teacher Quality State Grants	110401T2A00	84.367A	13,636
			<u>179,771</u>
Education Jobs Fund- ARRA	110401AEDJ00	84.410A	<u>216,699</u>
Total U.S. Department of Education			<u>2,236,135</u>
U.S. Department of Health and Human Services			
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	-	93.938	<u>729</u>
Block Grants for Prevention and Treatment of Substance Abuse	-	93.959	<u>80,858</u>
Total U.S. Department of Health and Human Services			<u>81,587</u>
			<u>\$ 2,684,599</u>

Notes:

Schedule of was prepared on the cash basis.

The value of non-cash awards for USDA commodities was \$46,371.



PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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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

Honorable Superintendent and Board of Trustees
Carbon County School District #1

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Carbon County School District #1 (District), as of and for the year ended June 30, 2012, which collectively comprise Carbon County School District #1's basic financial statements and have issued our report thereon dated December 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

Honorable Superintendent and Board of Trustees
Carbon County School District #1
Page 2

We noted certain matters that we reported to management of the District in a separate letter dated December 10, 2012.

This report is intended solely for the information and use of management, its oversight audit agency and other agencies granting funds to the District 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

December 10, 2012



REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and Board of Trustees
Carbon County School District #1

Compliance

We have audited the compliance of Carbon County School District #1 (District) with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended, June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

As described in item *SA-2012-01* in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding allowable costs that are applicable to its Education Jobs Fund grant. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements to this program.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item *SA-2012-01* to be a material weakness.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information of and use of management, and its oversight audit agency and other agencies granting funds to the District and is not intended to be and should not be used by anyone other than these specified parties.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard
Certified Public Accountants

December 10, 2012

CARBON COUNTY SCHOOL DISTRICT #1**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
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Internal control over financial reporting:	
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Material weaknesses identified?	No
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Significant deficiencies identified that are not considered to be material weaknesses?	No
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Noncompliance material to financial statements noted?	No
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Federal Awards

Internal control over major programs:	
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Material weaknesses identified?	Yes
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Significant deficiencies identified that are not considered to be material weaknesses?	No
--	----

Type of auditor's report issued on compliance for major programs:	Qualified
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Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?	Yes
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Identification of major programs:	
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<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Title I Cluster
84.010A	Title I Grants to Local Educational Agencies
84.389A	Title I Grants to Local Educational Agencies – ARRA
	Special Education Cluster
84.027A	Special Education – Grants to States
84.173A	Special Education – Preschool
84.391A	Special Education – Grants to States - ARRA
84.392A	Special Education – Preschool - ARRA
84.410	Education Jobs Fund - ARRA

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED) YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditor’s Results (Continued)

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

SA-2012-01

U.S. Department of Education
Passed through State of Wyoming Department of Education

84.410 – Education Jobs Fund - ARRA

Criteria

OMB Circular A-87, Cost Principles for State and Local Governments, Attachment B, section h.8. states that where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation. Such documentary support is required where employees work on (a) more than one federal award, (b) a federal award and a non-federal award, (c) an indirect cost activity and a direct cost activity, (d) two or more indirect activities which are allocated using different allocation bases, or (d) an unallowable activity and a direct or indirect cost activity. Personnel activity reports or equivalent documentation must meet the following standards (a) must reflect an after-the-fact distribution of the actual activity of each employee, (b) must account for the total activity for which each employee is compensated, (c) must be prepared at least monthly and must coincide with one or more pay periods, and (d) budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards but may be used for interim accounting purposes, provided (i) the governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed, (ii) at least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made and costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and (iii) the budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

Condition

Federal award money was used to compensate employees; however, the payroll charges were not supported by documentation as prescribed in OMB Circular A-87. The District had two individuals whose time charged to the grant was based on budget and no comparison of actual cost based on monthly activity reports to budgeted distribution was made. One of those individuals did not have a time and effort log or semi-annual certifications to support time allocated to the grant.

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2012

SA-2012-01 (Continued)

Questioned Costs

\$26,464

Cause

The District's internal control procedures regarding the review of actual time spent on the grant and the cost charged to the grant did not function as designed.

Recommendation

We recommend the District review its internal control procedures regarding the review of actual time spent on the grant activities versus the cost charged to the grant and the requirement of completion of semi-annual certifications and the time-and-effort logs and compare them to the requirements under OMB Circular A-87.

Management Response

The District will review its internal control procedures regarding the review of actual time spent on the grant activities versus the cost charged to the grant and the requirement of completion of semi-annual certifications and the time-and-effort logs and make appropriate revisions as necessary.

CARBON COUNTY SCHOOL DISTRICT #1

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

SA-2011-01

U.S. Department of Education

Passed through State of Wyoming Department of Education

Title I Part A Cluster

84.010 - Title I Grants to Local Educational Agencies

84.389 - Title I Grants to Local Educational Agencies – Recovery Act

Special Education Cluster

84.027 - Special Education Grants to States

84.173 - Special Education Preschool Grants

84.391 - Special Education Grants to State – Recovery Act

84.392 - Special Education Preschool Grants – Recovery Act

Condition

The District does not have an internal control process for identification of suspended or debarred parties on contracts greater than \$25,000.

Status

Condition has been corrected.

SA-2011-02

U.S. Department of Education

Passed through State of Wyoming Department of Education

Title I Part A Cluster

84.010 - Title I Grants to Local Educational Agencies

84.389 - Title I Grants to Local Educational Agencies – Recovery Act

Special Education Cluster

84.027 - Special Education Grants to States

84.173 - Special Education Preschool Grants

84.391 - Special Education Grants to State – Recovery Act

84.392 - Special Education Preschool Grants – Recovery Act

Condition

Federal award money was used to compensate employees; however, the payroll charges were not supported by documentation as prescribed in OMB Circular A-87. The District had two individuals whose time charged to the grant was based on budget and no comparison of actual cost to budgeted distribution based on monthly activity reports was made, and another individual whose time-and-effort log did not account for the total activity for which the employee was compensated. Also, a fourth individual who worked solely on the grant for the entire school year had only one of the semi-annual certification signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

Status

See SA-2012-01.