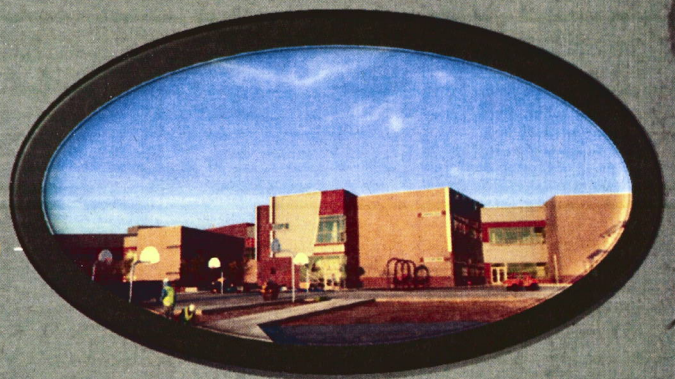


# CARBON COUNTY SCHOOL DISTRICT ONE



TO INSPIRE AND SUSTAIN EXCELLENCE  
THROUGH EDUCATION

ANNUAL FINANCIAL REPORT

JUNE 30, 2011



**CARBON COUNTY SCHOOL DISTRICT #1**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2011**

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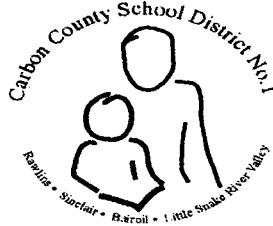
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# Carbon County School District One

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## Educational Excellence

615 Rodeo  
P.O. Box 160  
Rawlins, WY 82301



(307) 328-9200  
(307) 328-9258 Fax  
[www.crb1.k12.wy.us](http://www.crb1.k12.wy.us)

December 12, 2011

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, 2011 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, 2011. 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 1825 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 2009 Wyoming was the number one producer of coal and ranks highest in mining employment. Natural gas production was second in the nation and crude oil was seventh 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 560,000 and 88,000 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. Anticipated start date is late 2012. 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 growth of half of percent through 2009. 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 allowed 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**

Rawlins High School has been identified by the School Facilities Department as a complete replacement facility. Funding for design was approved in the State's 2011-2012 biennium budget and construction funds are included in the proposed 2013-2014 budget. The Board of Trustees placed a question to the citizens of the District for \$26,500,000 for enhancements to the new high school, a replacement aquatic center, new vocational facility for CCHEC, and other improvements in the District. The bond passed by a 58 percent margin.

## **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,

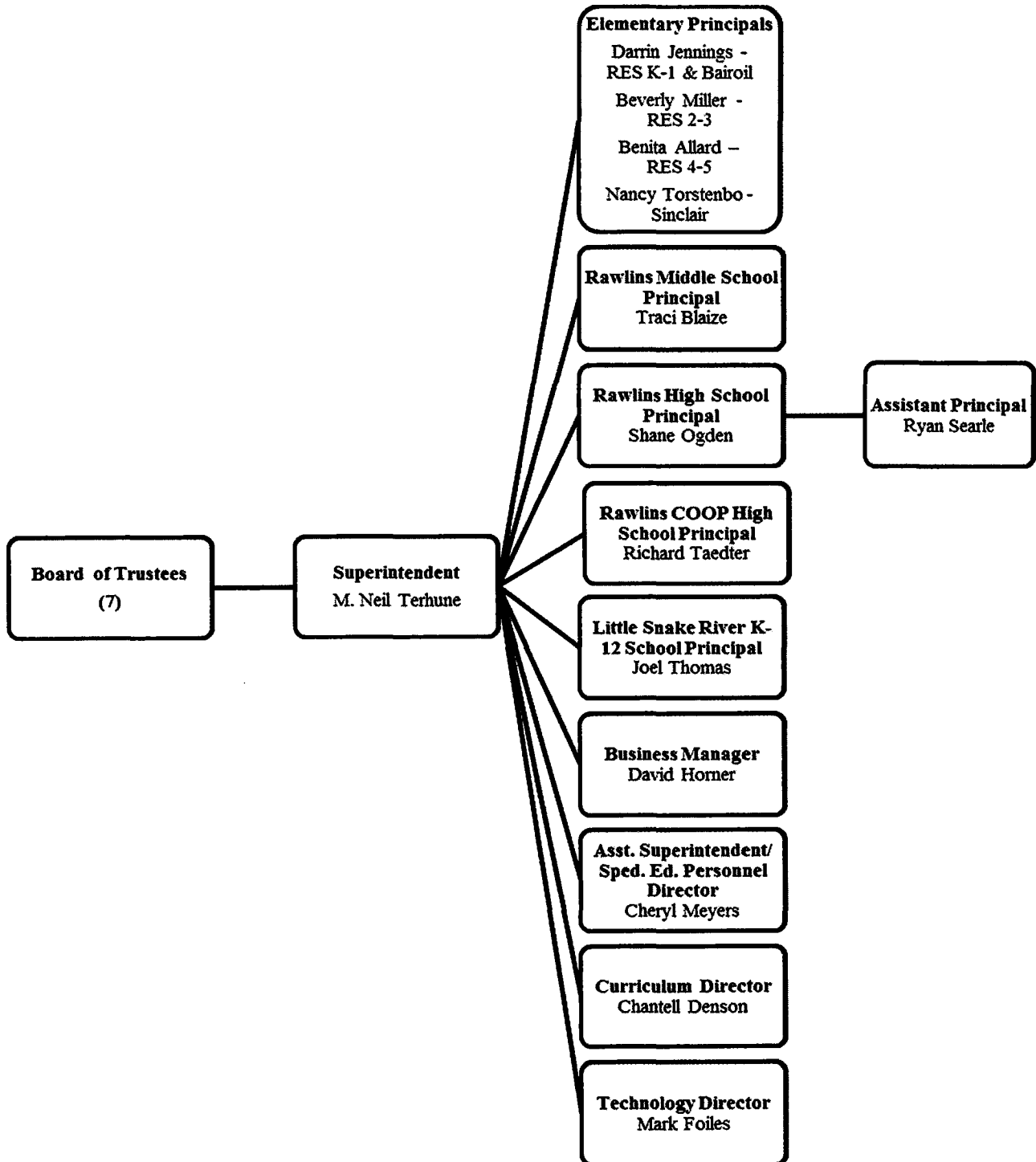


M. Neil Terhune  
Superintendent

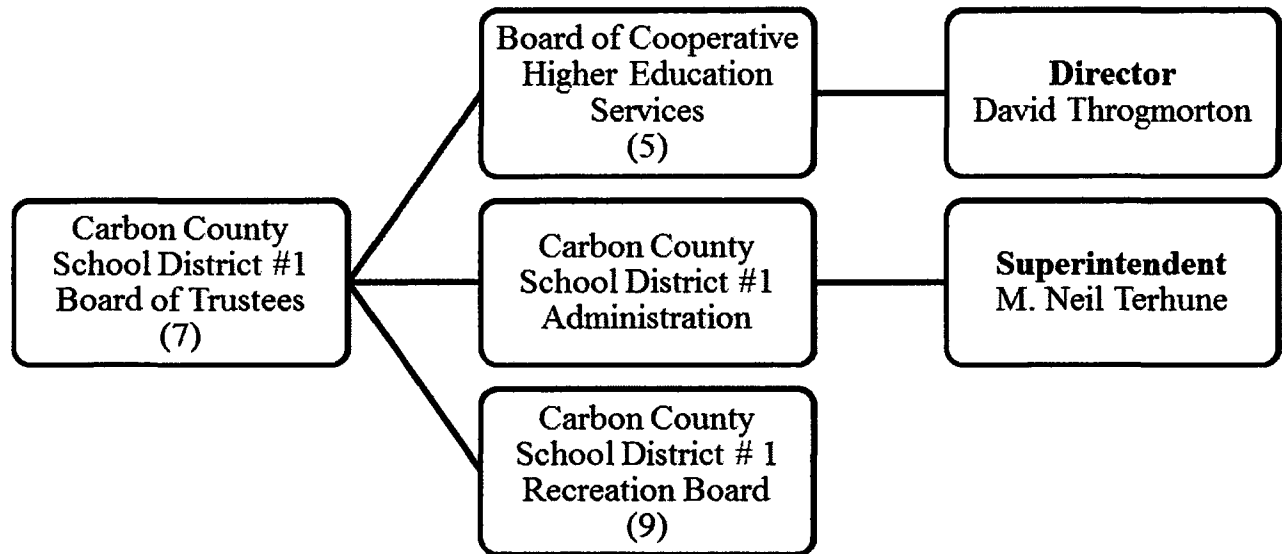


David Horner  
Business Manager

**CARBON COUNTY SCHOOL DISTRICT # 1  
ADMINISTRATIVE ORGANIZATIONAL CHART 2011**



**CARBON COUNTY SCHOOL DISTRICT #1 AND COMPONENT UNITS  
ORGANIZATIONAL CHART 2011**



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

Administrative Office

615 Rodeo  
P.O. Box 160  
Rawlins, WY 82301

M. Neil Terhune  
David Horner  
Margaret Quintrall

Superintendent  
Business Manager  
Asst. Business Manager

**BOARD OF TRUSTEES AS OF JUNE 30, 2011**

	<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. David Dingman, 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 2011**

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 2759 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, 2011, 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, 2011, 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 12, 2011, 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 41 through 46, 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 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison 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 i through xi and 50 through 74 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 47 through 49, 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 page 76 through 77 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 12, 2011

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

(Unaudited)

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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, 2011. 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 \$53,459,302 at June 30, 2011 which compares to \$41,307,295 at the beginning of the fiscal year, an increase of 29%.

During the year, the District's total primary government expenses were \$12,186,670 less than the \$45,796,190 generated in taxes and other revenues for governmental activities.

The District had \$33,644,183 in expenses related to governmental activities; of which \$4,730,779 of these expenses were offset by program specific charges for services or grants and contributions.

The District decreased its outstanding long-term debt by \$801,698. The outstanding long-term debt includes \$450,000 retainage payable due in one year.

The District made a recapture payment of \$2,112,785 to the State Foundation Program for the 2010 - 2011 fiscal year. Due to an error in the valuation assessment certified by the State Board of Equalization, the District's recapture payment for 2009 - 2010 was \$1,404,486 less than it should have been. This amount was accrued as a liability at June 30, 2010 it was included in the recapture payment in 2010 - 2011. Actual recapture payment for 2010 -2011 was \$708,299.

### ***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-Nutrition Services.



# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

(Unaudited)

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***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 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-Nutrition Services 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, 2011

(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, 2011:

#### Condensed Statements of Net Assets

	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total School District	Total School District
Current and other assets	\$ 16,554,715	\$ 14,920,252	\$ 145,428	\$ 116,450	\$ 16,700,143	\$ 15,036,702
Capital assets	31,214,915	41,927,265	23,105	17,381	31,238,020	41,944,646
Total assets	47,769,630	56,847,517	168,533	133,831	47,938,163	56,981,348
Long-term liabilities	2,152,973	1,351,274	-	-	2,152,973	1,351,274
Other liabilities	4,477,856	2,170,772	39	-	4,477,895	2,170,772
Total liabilities	6,630,829	3,522,046	39	-	6,630,868	3,522,046
Invested in capital assets net of related debt	29,390,149	40,984,314	23,105	17,381	29,413,254	41,001,695
Restricted						
Major maintenance	744,292	1,011,721	-	-	744,292	1,011,721
Depreciation reserve	2,728,042	2,753,839	-	-	2,728,042	2,753,839
Tax levy	3,869,084	3,582,385	-	-	3,869,084	3,582,385
Unrestricted	4,407,234	4,993,212	145,389	116,450	4,552,623	5,109,662
Total net assets	\$ 41,138,801	\$ 53,325,471	\$ 168,494	\$ 133,831	\$ 41,307,295	\$ 53,459,302

The net investment in capital assets is \$41,001,695, 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 \$942,951. 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 \$5,109,662, 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, 2011

(Unaudited)

For governmental activities, the District's total net assets increased by \$12,186,670 during the year ended June 30, 2011. The total cost of all governmental activities this year was \$32,896,602 and of the business-type activity was \$747,581. The amount that taxpayers paid for these activities through property taxes was \$28,348,978 net of recapture in the amount of \$708,299.

	Changes in Net Assets					
	2009-2010			2010-2011		
	Governmental-Type Activities			Governmental-Type Activities		
	District	BOCHES	Total	District	BOCHES	Total
Revenues:						
Program revenues:						
Charges for services	\$ 65,694	\$ 350,787	\$ 416,481	\$ 36,940	\$ 353,905	\$ 390,845
Operating grants and contributions	3,166,506	104,594	3,271,100	3,607,092	112,991	3,720,083
Capital grants	12,817,780	-	12,817,780	12,630,341	-	12,630,341
General revenues:						
Taxes	42,075,138	3,446,230	45,521,368	27,026,794	2,030,483	29,057,277
Investments	95,393	5,643	101,036	49,431	3,750	53,181
Recapture payment	(17,259,281)	-	(17,259,281)	(708,299)	-	(708,299)
Miscellaneous	14,532	-	14,532	29,844	-	29,844
Total revenues	40,975,762	3,907,254	44,883,016	42,672,143	2,501,129	45,173,272
Expenses:						
Regular instruction	11,424,366	-	11,424,366	11,371,422	-	11,371,422
Special ed instruction	4,930,770	-	4,930,770	5,394,146	-	5,394,146
Pupil services	1,164,544	-	1,164,544	1,806,551	-	1,806,551
BOCHES	-	2,737,299	2,737,299	-	2,824,583	2,824,583
Instructional staff services	1,044,641	-	1,044,641	996,770	-	996,770
General admin services	866,562	-	866,562	1,010,453	-	1,010,453
School admin services	1,421,696	-	1,421,696	1,533,812	-	1,533,812
Business services	578,883	-	578,883	609,718	-	609,718
O&M of plant services	3,055,549	-	3,055,549	5,007,218	-	5,007,218
Pupil transportation	1,069,416	-	1,069,416	1,162,602	-	1,162,602
Central services	797,831	-	797,831	1,006,800	-	1,006,800
Other support services	144,901	-	144,901	147,355	-	147,355
Interest on long-term debt	28,414	-	28,414	25,172	-	25,172
Nutrition services	-	-	-	-	-	-
Total expenses	26,527,573	2,737,299	29,264,872	30,072,019	2,824,583	32,896,602
Excess of revenues over expenditures	14,448,189	1,169,955	15,618,144	12,600,124	(323,454)	12,276,670
Transfers	(80,000)	-	(80,000)	(90,000)	-	(90,000)
Change in net assets	\$ 14,368,189	\$ 1,169,955	\$ 15,538,144	\$ 12,510,124	\$ (323,454)	\$ 12,186,670

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

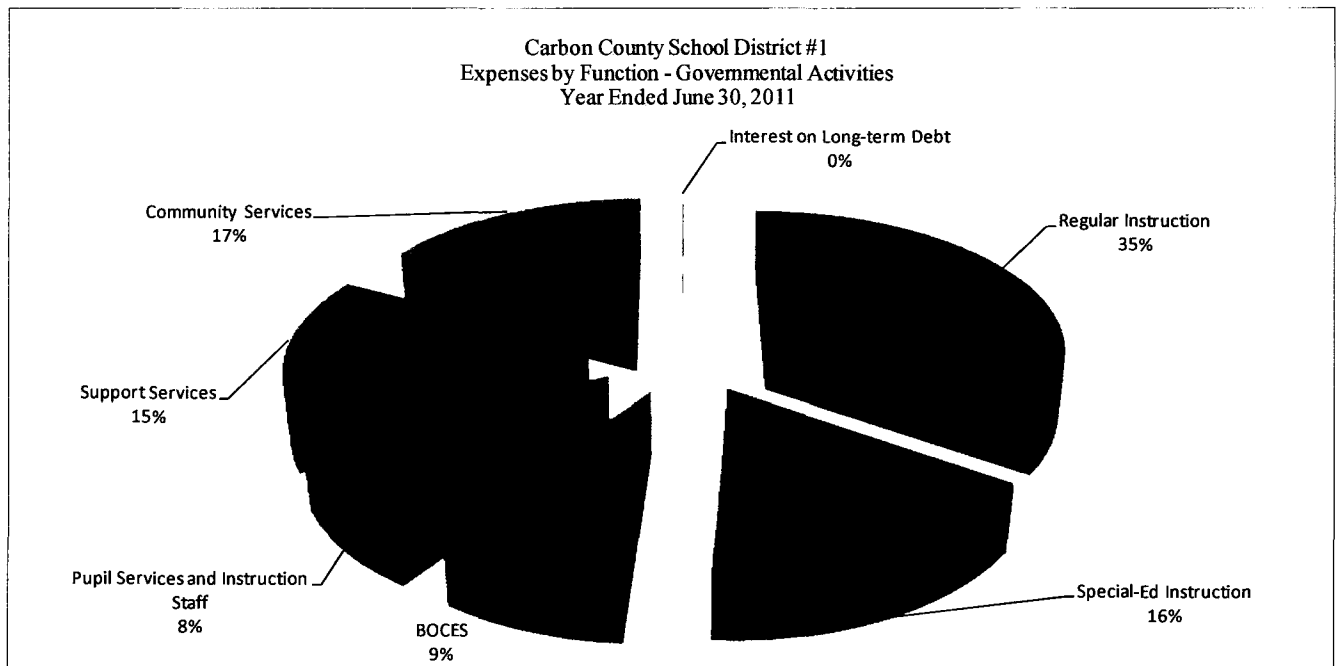
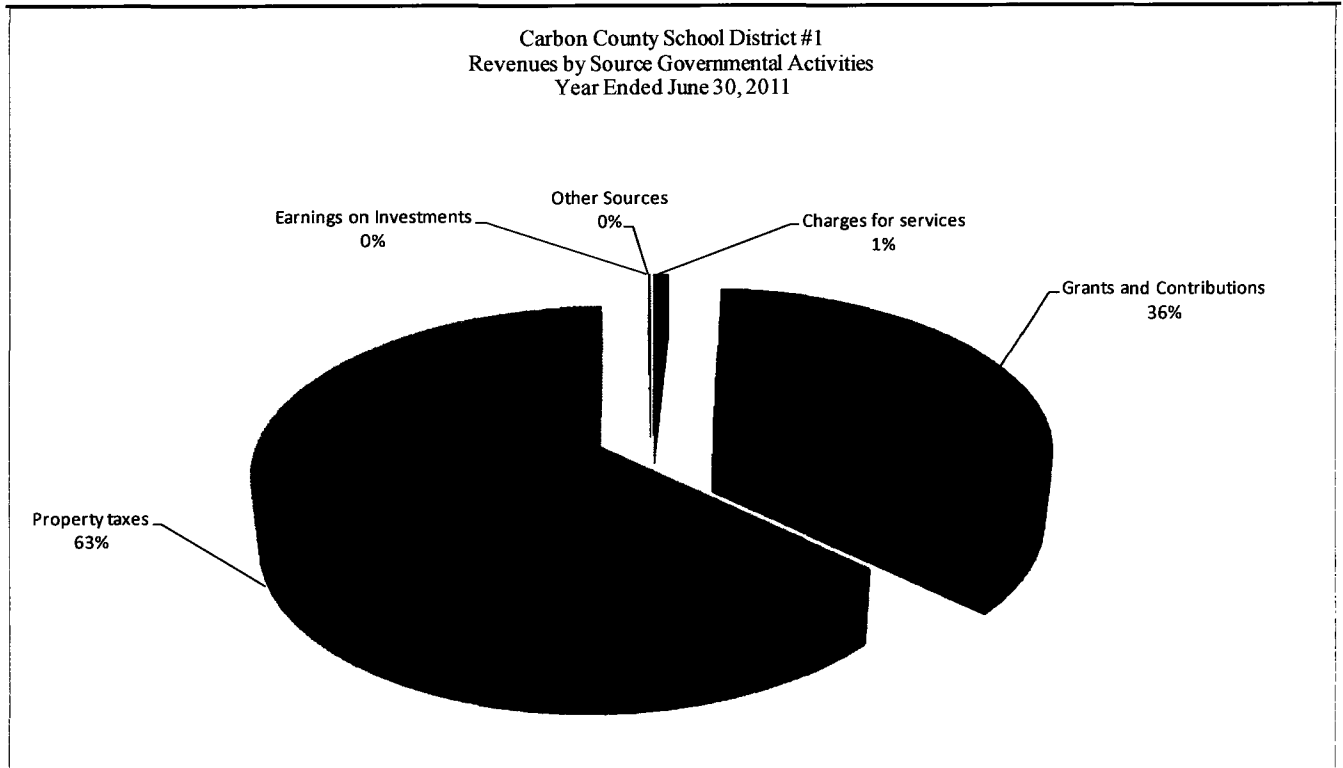
June 30, 2011

(Unaudited)

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2009-2010	2010-2011	2009-2010	2010-2011
<b>Business-Type Activities</b>			
District	District	Total District and BOCHES	Total District and BOCHES
\$ 263,005	\$ 265,014	\$ 679,486	\$ 655,859
423,112	354,837	3,694,212	4,074,920
-	-	12,817,780	12,630,341
-	-	45,521,368	29,057,277
799	620	101,835	53,801
-	-	(17,259,281)	(708,299)
2,428	2,447	16,960	32,291
689,344	622,918	45,572,360	45,796,190
-	-	11,424,366	11,371,422
-	-	4,930,770	5,394,146
-	-	1,164,544	1,806,551
-	-	2,737,299	2,824,583
-	-	1,044,641	996,770
-	-	866,562	1,010,453
-	-	1,421,696	1,533,812
-	-	578,883	609,718
-	-	3,055,549	5,007,218
-	-	1,069,416	1,162,602
-	-	797,831	1,006,800
-	-	144,901	147,355
-	-	28,414	25,172
737,048	747,581	737,048	747,581
737,048	747,581	30,001,920	33,644,183
(47,704)	(124,663)	15,570,440	12,152,007
80,000	90,000	-	-
\$ 32,296	\$ (34,663)	\$ 15,570,440	\$ 12,152,007

**CARBON COUNTY SCHOOL DISTRICT #1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2011**  
**(Unaudited)**





# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2011

(Unaudited)

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

#### **Governmental Funds**

##### ***Revenues:***

General fund revenues, net of recapture payment, increased to \$25,551,771 in FY 2011 from \$24,164,003 in FY 2010 due to a decrease in the recapture payment, increases in collections of fines and forfeitures, and the reimbursement from Wyoming Department of Education for the increase in the retirement cost.

Major maintenance revenues from the State of Wyoming increased by \$316,061 in comparison to the prior year. This increase is due to a change in the percentage of funding from FY 2010 to FY 2011.

##### ***Food Service Fund:***

The total Food Service fund revenues for 2011 were \$622,918, an increase of approximately \$66,426 from the prior year. The expenses incurred to provide this program increased by \$10,500 from the prior year. The Food Service fund had a net loss before transfers of \$124,663 in 2011, compared to a net loss before transfers of \$47,704 in 2010.

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

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

The District's investment in capital assets for its governmental activities as of June 30, 2011 is \$41,927,265 (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)**

	2009-2010	2010-2011
Land	\$ 941,359	\$ 941,359
Construction in progress	14,947,991	90,319
Buildings and improvements	14,217,851	39,941,699
Vehicles	793,233	569,377
Furniture and equipment	314,481	384,511
Total	<u>\$31,214,915</u>	<u>\$41,927,265</u>

Additional information regarding the District's capital assets can be found in the Notes to Financial Statements page 33.

The District completed construction of a \$28,000,000 new elementary school complex in January 2011. The project was funded by the Wyoming School Facilities Commission. The District has started design of a new high school funded by the Wyoming School Facilities Commission and passed a \$26,500,000 bond for enhancements to the District.

**CARBON COUNTY SCHOOL DISTRICT #1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2011  
(Unaudited)

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***Long-Term Debt:***

The following is a summary of debt transactions related to capital leases of the District for the year ended June 30, 2011:

Debt outstanding at July 1, 2010	\$ 2,152,972
New debt issued	572,422
Debt retired	<u>1,374,120</u>
Debt outstanding at June 30, 2011	<u><u>\$ 1,351,274</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, PO Box 160, 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, 2011

	Primary Government			Component Unit
	Governmental	Business-Type		Recreation
	Activities	Activities	Total	Board
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 9,479,693	\$ 105,004	\$ 9,584,697	\$ 1,093,502
Cash held by fiscal agent	159,577	-	159,577	3,342
Investments	3,545,836	-	3,545,836	-
Property taxes receivable	212,200	-	212,200	5,850
Accounts receivable	34,872	-	34,872	-
Due from other governments	1,237,580	5,130	1,242,710	-
Due from component unit	190,000	-	190,000	-
Inventory	55,226	6,316	61,542	-
Prepaid expenses	5,268	-	5,268	-
Capital assets not depreciated				
Land	941,359	-	941,359	-
Construction in progress	90,319	-	90,319	-
Capital assets, net of accumulated depreciation				
Buildings and improvements	39,941,699	-	39,941,699	-
Vehicles	569,377	-	569,377	-
Furniture and equipment	384,511	17,381	401,892	-
Total assets	56,847,517	133,831	56,981,348	1,102,694
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	1,219,593	-	1,219,593	-
Accrued salaries payable	951,179	-	951,179	-
Due to primary government	-	-	-	190,000
Non-current liabilities				
Due within one year	653,742	-	653,742	-
Due in more than one year	697,532	-	697,532	-
Total liabilities	3,522,046	-	3,522,046	190,000
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	40,984,314	17,381	41,001,695	-
Restricted	7,347,945	-	7,347,945	912,694
Unrestricted	4,993,212	116,450	5,109,662	-
Total net assets	\$ 53,325,471	\$ 133,831	\$ 53,459,302	\$ 912,694

See accompanying notes to the financial statements



**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2011**

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 11,371,422	\$ 36,940	\$ 593,840	\$ -
Special education instruction	5,394,146	-	3,013,252	-
Support services				
Pupil services	1,806,551	-	-	-
BOCHES services	2,824,583	353,905	112,991	-
Instructional staff services	996,770	-	-	-
General administration services	1,010,453	-	-	-
School administration services	1,533,812	-	-	-
Business services	609,718	-	-	-
Operation and maintenance of plant services	5,007,218	-	-	-
Pupil transportation services	1,162,602	-	-	-
Central services	1,006,800	-	-	12,630,341
Other support services	147,355	-	-	-
Interest on long-term debt	25,172	-	-	-
Total governmental activities	32,896,602	390,845	3,720,083	12,630,341

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
\$ (10,740,642)	\$ -	\$ (10,740,642)	\$ -
(2,380,894)	-	(2,380,894)	-
(1,806,551)	-	(1,806,551)	-
(2,357,687)	-	(2,357,687)	-
(996,770)	-	(996,770)	-
(1,010,453)	-	(1,010,453)	-
(1,533,812)	-	(1,533,812)	-
(609,718)	-	(609,718)	-
(5,007,218)	-	(5,007,218)	-
(1,162,602)	-	(1,162,602)	-
11,623,541	-	11,623,541	-
(147,355)	-	(147,355)	-
(25,172)	-	(25,172)	-
(16,155,333)	-	(16,155,333)	-
			(Continued)

# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2011

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Business-type activities				
Food service fund	\$ 747,581	\$ 265,014	\$ 354,837	\$ -
Total business-type activities	<u>747,581</u>	<u>265,014</u>	<u>354,837</u>	<u>-</u>
 Total primary government	 <u>\$ 33,644,183</u>	 <u>\$ 655,859</u>	 <u>\$ 4,074,920</u>	 <u>\$ 12,630,341</u>
Component Unit				
Recreation Board	\$ 1,276,669	-	-	-
Total component unit	<u>\$ 1,276,669</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
\$ -	\$ (127,730)	\$ (127,730)	\$ -
-	(127,730)	(127,730)	-
(16,155,333)	(127,730)	(16,283,063)	-
-	-	-	(1,276,669)
-	-	-	(1,276,669)
25,802,394	-	25,802,394	-
1,224,400	-	1,224,400	-
-	-	-	826,102
2,030,483	-	2,030,483	-
(708,299)	-	(708,299)	-
53,181	620	53,801	2,674
29,844	2,447	32,291	-
(90,000)	90,000	-	-
28,342,003	93,067	28,435,070	828,776
12,186,670	(34,663)	12,152,007	(447,893)
41,138,801	168,494	41,307,295	1,360,587
\$ 53,325,471	\$ 133,831	\$ 53,459,302	\$ 912,694

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

June 30, 2011

	General Fund	Board of Cooperative Higher Educational Services	Major Maintenance Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,305,731	\$ 1,845,635	\$ 1,013,381
Cash held by fiscal agent	151,710	7,867	-
Investments	180,471	1,718,626	-
Property taxes receivable	205,586	6,615	-
Accounts receivable	-	34,871	-
Due from other governments	43,641	7,660	-
Due from other funds	92,922	38,676	-
Prepaid expenses	-	5,268	-
Inventory	55,226	-	-
Total assets	<u>\$ 6,225,287</u>	<u>\$ 3,665,218</u>	<u>\$ 1,013,381</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 73,562	\$ 52,542	\$ 1,660
Due to other funds	38,676	-	-
Accrued salaries payable	925,924	25,255	-
Deferred revenue	165,295	5,036	-
Total liabilities	<u>1,203,457</u>	<u>82,833</u>	<u>1,660</u>
<b>Fund balances</b>			
Nonspendable			
Inventory	55,226	-	-
Restricted by Wyoming state statutes	-	-	1,011,721
Restricted by tax levy	-	3,582,385	-
Committed	-	-	-
Unassigned			
General fund	4,966,604	-	-
Special revenue funds	-	-	-
Total fund balances	<u>5,021,830</u>	<u>3,582,385</u>	<u>1,011,721</u>
Total liabilities and fund balances	<u>\$ 6,225,287</u>	<u>\$ 3,665,218</u>	<u>\$ 1,013,381</u>

See accompanying notes to the financial statements

Capital Construction Fund	Grants Fund	Total Governmental Funds
\$ 1,240,141	\$ 40,047	\$ 9,444,935
-	-	159,577
1,646,739	-	3,545,836
-	-	212,201
-	-	34,871
1,000,800	185,479	1,237,580
-	-	131,598
-	-	5,268
-	-	55,226
<u>\$ 3,887,680</u>	<u>\$ 225,526</u>	<u>\$ 15,017,092</u>

\$ 1,000,800	\$ 89,643	\$ 1,218,207
-	92,922	131,598
-	-	951,179
-	-	170,331
<u>1,000,800</u>	<u>182,565</u>	<u>2,471,315</u>

-	-	55,226
2,753,839	-	3,765,560
-	-	3,582,385
133,041	-	133,041
-	-	-
-	-	4,966,604
-	42,961	42,961
<u>2,886,880</u>	<u>42,961</u>	<u>12,545,777</u>
<u>\$ 3,887,680</u>	<u>\$ 225,526</u>	<u>\$ 15,017,092</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, 2011

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

Total fund balances		\$ 12,545,777
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the funds		41,927,265
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, 2011		170,331
Internal service funds are used by management to charge the costs flex benefit plan. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets		33,372
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds		
Accrued compensated absences	(408,323)	
Retainage payable	(450,000)	
Lease purchase obligations	<u>(492,951)</u>	<u>(1,351,274)</u>
Net assets of governmental activities		<u><u>\$ 53,325,471</u></u>



**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUNDS  
Year Ended June 30, 2011**

	General Fund	Board of Higher Cooperative Educational Services	Major Maintenance Fund	Capital Construction Fund
<b>Revenues</b>				
Taxes	\$ 24,417,029	\$ 2,036,569	\$ -	\$ -
Intergovernmental revenues	1,789,006	107,991	1,224,400	12,630,341
Charges for services	36,940	353,905	-	-
Investment income	17,175	3,750	6,164	25,797
Miscellaneous	29,844	-	-	-
Public contributions	-	5,000	-	-
Repayment to state foundation	(29,924)	-	-	-
Recapture payment	(708,299)	-	-	-
Total revenues	<u>25,551,771</u>	<u>2,507,215</u>	<u>1,230,564</u>	<u>12,656,138</u>
<b>Expenditures</b>				
Instruction				
Regular instruction	10,579,338	-	-	-
Special education instruction	2,386,626	-	-	-
Vocational education	-	1,239,380	-	-
Total instruction	<u>12,965,964</u>	<u>1,239,380</u>	<u>-</u>	<u>-</u>
Support services				
Pupil services	2,050,739	-	-	-
Instructional staff services	996,770	-	-	-
General administration services	387,963	1,134,564	-	-
School administration services	1,520,588	-	-	-
Business services	614,033	-	-	-
Operation and maintenance of plant services	3,276,067	-	963,135	-
Pupil transportation services	1,162,602	-	-	-
Community services	-	431,988	-	-
Central services	1,537,745	-	-	-
Other support services	147,355	-	-	-
Facilities acquisition and construction services	-	-	-	12,630,260
Debt service				
Principal repayments	151,564	3,319	-	-
Interest	25,172	899	-	-
Total support services	<u>11,870,598</u>	<u>1,570,770</u>	<u>963,135</u>	<u>12,630,260</u>
Total expenditures	<u>24,836,562</u>	<u>2,810,150</u>	<u>963,135</u>	<u>12,630,260</u>
Excess (deficiency) of revenues over expenditures	<u>715,209</u>	<u>(302,935)</u>	<u>267,429</u>	<u>25,878</u>
<b>Other financing sources(uses)</b>				
Transfers in	21,000	-	-	-
Transfers (out)	(150,547)	(21,000)	-	-
Proceeds from capital lease	-	37,236	-	-
Total other financing sources (uses)	<u>(129,547)</u>	<u>16,236</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	585,662	(286,699)	267,429	25,878
Fund balances - beginning of year	4,436,168	3,869,084	744,292	2,861,002
Fund balances - end of year	<u>\$ 5,021,830</u>	<u>\$ 3,582,385</u>	<u>\$ 1,011,721</u>	<u>\$ 2,886,880</u>

See accompanying notes to the financial statements

Grants Fund	Total Governmental Funds
\$ -	\$ 26,453,598
3,205,587	18,957,325
-	390,845
192	53,078
-	29,844
-	5,000
-	(29,924)
-	(708,299)
<u>3,205,779</u>	<u>45,151,467</u>
191,352	10,770,690
3,007,521	5,394,147
-	1,239,380
<u>3,198,873</u>	<u>17,404,217</u>
-	2,050,739
-	996,770
-	1,522,527
13,224	1,533,812
-	614,033
-	4,239,202
-	1,162,602
-	431,988
-	1,537,745
-	147,355
-	12,630,260
-	154,883
-	26,071
<u>13,224</u>	<u>27,047,987</u>
<u>3,212,097</u>	<u>44,452,204</u>
<u>(6,318)</u>	<u>699,263</u>
60,547	81,547
-	(171,547)
-	37,236
<u>60,547</u>	<u>(52,764)</u>
54,229	646,499
<u>(11,268)</u>	<u>11,899,278</u>
<u>\$ 42,961</u>	<u>\$ 12,545,777</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, 2011

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

Net change in fund balances - total governmental funds \$ 646,499

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	12,831,298	
Depreciation expense	(1,485,639)	
Cost basis of asset disposition	(1,904,947)	
Accumulated depreciation of asset dispositions	1,271,638	10,712,350

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	(37,238)	
Principal payments on long-term debt	154,882	117,644

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	328,207	
Current year total liability for compensated absences	(408,323)	
Prior year retainage payable	1,214,170	
Current year retainage payable	(450,000)	684,054

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	(148,627)	
Current year deferred tax revenue	170,331	21,704

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.

4,419

Changes in net assets of governmental activities

\$ 12,186,670

See accompanying notes to the financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2011**

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 105,004	\$ 34,758
Due from other governments	5,130	-
Inventory	6,316	-
Total current assets	116,450	34,758
Capital assets		
Property and equipment, net	17,381	-
Total assets	133,831	34,758
<b>LIABILITIES</b>		
Current liabilities		
Due to employees for flex benefits	-	1,386
Total liabilities	-	1,386
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	17,381	-
Unrestricted	116,450	33,372
Total net assets	\$ 133,831	\$ 33,372

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, 2011

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
Operating revenues		
Charges for services	\$ 265,014	\$ -
Miscellaneous	2,447	4,315
Total operating revenues	<u>267,461</u>	<u>4,315</u>
Operating expenses		
Salaries	209,076	-
Employee benefits	65,129	-
Purchased services	6,096	-
Supplies and materials	461,556	-
Depreciation	5,724	-
Total operating expenses	<u>747,581</u>	<u>-</u>
Income (loss) from operations	(480,120)	4,315
Nonoperating revenues		
Federal grants subsidy	354,837	-
Interest income	620	104
Total nonoperating revenues	<u>355,457</u>	<u>104</u>
Income (loss) before transfers	(124,663)	4,419
Transfers in	<u>90,000</u>	<u>-</u>
Change in net assets	(34,663)	4,419
Net assets - beginning of year	<u>168,494</u>	<u>28,953</u>
Net assets - end of year	<u><u>\$ 133,831</u></u>	<u><u>\$ 33,372</u></u>

See accompanying notes to the financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS Year Ended June 30, 2011

	Business-type Activities- Enterprise Fund Food Service Fund	Governmental Activities - Internal Service Fund
Cash flows from operating activities		
Cash received from services	\$ 272,268	\$ -
Cash paid to suppliers for goods and services	(418,709)	-
Cash paid to employees for services	(274,205)	-
Cash paid for other operating expenses	-	(2,974)
Net cash used in operating activities	<u>(420,646)</u>	<u>(2,974)</u>
Cash flows from noncapital financing activities		
Transfers	90,000	-
Subsidy received from federal grants	307,937	-
Net cash provided by noncapital financing activities	<u>397,937</u>	<u>-</u>
Cash flows from investing activities		
Interest income	620	104
Net cash provided by investing activities	<u>620</u>	<u>104</u>
Net change in cash and cash equivalents	(22,089)	(2,870)
Cash and cash equivalents - beginning of year	<u>127,093</u>	<u>37,628</u>
Cash and cash equivalents - end of year	<u>\$ 105,004</u>	<u>\$ 34,758</u>
Reconciliation of operating income (loss) to net cash used in operating activities		
Operating income (loss)	\$ (480,120)	\$ 4,315
Adjustments to reconcile operating loss to net cash used in operating activities		
Commodities expense related to noncash grant	46,900	-
Depreciation	5,724	-
Increase (decrease) in cash resulting from changes in operating assets and liabilities		
Due from other governments	7,254	-
Inventory	(365)	-
Accounts payable/Due to employees for flex benefits	(39)	(7,289)
	<u>\$ (420,646)</u>	<u>\$ (2,974)</u>

### Non-cash transactions

The Food Service Fund received USDA commodities valued at \$46,900.

See accompanying notes to the financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF FIDUCIARY NET ASSETS**

June 30, 2011

	Private Purpose Trust Fund	Agency Fund Student Activities Fund
<b>ASSETS</b>		
Cash	\$ 9,384	\$ 209,095
Investments	242,312	-
Total assets	251,696	209,095
<b>LIABILITIES</b>		
Scholarships payable	4,231	-
Due to student groups	760	209,095
Total liabilities	4,991	209,095
<b>NET ASSETS</b>		
Reserved for scholarships	246,705	-
Total net assets	\$ 246,705	\$ -

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, 2011

	Private Purpose Trust Fund
Additions	
Scholarship donations	\$ 1,000
Interest income	3,329
Total additions	4,329
Deductions	
Scholarship awards	7,231
Total deductions	7,231
Change in net assets	(2,902)
Net assets - beginning of year	242,995
Prior period adjustment	6,612
Net assets - beginning of year as restated	249,607
Net assets - end of year	\$ 246,705

See accompanying notes to the financial statements



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# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

The Board of Trustees (Board) is the level of government which has governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of Carbon County School District #1 (District). The Board receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. 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, 2011

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

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

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

The District reports the following major governmental funds:

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

The *special revenue fund* (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, 2011

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

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

Additionally, the District reports the following fund types:

The *Internal Service Fund* accounts for District's flex benefit plan.

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.

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

#### *Assets, Liabilities, and Net Assets or Equity*

##### *Deposits and Investments*

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

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.

Investments for the District 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.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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### **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, 2011 and, therefore no allowance for doubtful accounts is deemed necessary.

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

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of activities columns of the statement of net 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, 2011 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.

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.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

##### *Capital Assets (Continued)*

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.

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.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

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

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

##### ***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 on 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 and Special Revenue Funds.

Budgets for the General and Special Revenue 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 did not amend its 2010-11 budget.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### Note 3. Detailed Notes on All Funds

#### *Deposits and Investments*

As of June 30, 2011, the District had the following investments:

Investment Type	Fair Value	1 year or less	Interest Rate	Rating
Wyoming Government				
Investment Fund Pool (WGIF)				
District	\$ 180,471	\$ 180,471	0.03%	AAAm
BOCHES	1,718,626	1,718,626	0.03%	AAAm
	1,899,097	1,899,097		AAAm
Certificates of Deposit	1,646,739	1,646,739	0.90%	N/A
	<u>\$ 3,545,836</u>	<u>\$ 3,545,836</u>		
Private Purpose Trust Fund				
Certificate of Deposit	\$ 242,312	\$ 242,312	0.95%	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, 2011, 54% of the District's investments were with WGIF and 46% 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, 2011, the District's deposits were fully collateralized as required by statutes.

**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, 2011

### **Note 3. Detailed Notes on All Funds (Continued)**

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

A summary of changes in capital assets follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 941,359	\$ -	\$ -	\$ 941,359
Construction in progress	14,947,991	10,958,883	25,816,555	90,319
Total capital assets not being depreciated	15,889,350	10,958,883	25,816,555	1,031,678
Capital assets, being depreciated				
Buildings and improvements	30,783,330	27,492,600	1,769,790	56,506,140
Vehicles	3,087,270	9,870	19,934	3,077,206
Furniture and equipment	877,964	186,500	115,223	949,241
Total capital assets being depreciated	34,748,564	27,688,970	1,904,947	60,532,587
Less accumulated depreciation				
Buildings and improvements	16,565,479	1,151,627	1,152,665	16,564,441
Vehicles	2,294,037	229,740	15,948	2,507,829
Furniture and equipment	563,483	104,272	103,025	564,730
Total accumulated depreciation	19,422,999	1,485,639	1,271,638	19,637,000
Total capital assets, being depreciated, net	15,325,565	26,203,331	633,309	40,895,587
Governmental activities capital assets, net	<u>\$ 31,214,915</u>	<u>\$ 37,162,214</u>	<u>\$ 26,449,864</u>	<u>\$ 41,927,265</u>
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	159,785	3,473	-	163,258
Equipment	191,132	2,251	-	193,383
Total accumulated depreciation	350,917	5,724	-	356,641
Business-type activities capital assets, net	<u>\$ 23,105</u>	<u>\$ (5,724)</u>	<u>\$ -</u>	<u>\$ 17,381</u>

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

June 30, 2011

**Note 3. Detailed Notes on All Funds (Continued)*****Capital Assets (Continued)***

The District has \$868,490 assets under capital leases with accumulated amortization of \$222,315. The amortization expense for the fiscal year ended June 30, 2011 was \$108,561.

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

**Governmental activities**

Regular instruction	\$ 77,550
Pupil transportation	217,724
BOCHES	48,707
Operation and maintenance of plant services	1,141,658

Total depreciation expenses - governmental activities	<u>\$ 1,485,639</u>
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**Business-type activities**

Food service fund	\$ 5,724
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Total depreciation expenses - business-type activities	<u>\$ 5,724</u>
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***Long-term Debt***

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease purchase obligations	\$ 610,595	\$ 37,238	\$ 154,882	\$ 492,951	\$ 165,014
Retainage payable	1,214,170	450,000	1,214,170	450,000	450,000
Accrued compensated absences	328,207	85,184	5,068	408,323	38,728
	<u>\$ 2,152,972</u>	<u>\$ 572,422</u>	<u>\$ 1,374,120</u>	<u>\$ 1,351,274</u>	<u>\$ 653,742</u>

For the governmental activities, debt is generally liquidated by the general fund. Debt related to BOCHES is liquidated by the BOCHES fund.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### **Note 3. Detailed Notes on All Funds (Continued)**

#### ***Long-term Debt (Continued)***

As of June 30, 2011 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.	\$ 33,920
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.	169,674
Lease/purchase obligations for four buses; interest rate of 4.10%, due in monthly installments of \$104,478 including interest through December 2014; collateralized with buses.	289,357
	<u>\$ 492,951</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, are as follows:

Year Ending June 30	Bus Lease		Copiers Lease		Total Principal and Interest
	Principal	Interest	Principal	Interest	
2012	\$ 92,582	\$ 11,896	\$ 72,432	\$ 8,261	\$ 185,171
2013	96,411	8,068	75,867	4,826	185,172
2014	100,364	4,115	43,129	1,436	149,044
2015	-	-	12,166	489	12,655
	<u>\$ 289,357</u>	<u>\$ 24,079</u>	<u>\$ 203,594</u>	<u>\$ 15,012</u>	<u>\$ 532,042</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, 2011, total rental expense was approximately \$114,000. 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, 2011

### Note 3. Detailed Notes on All Funds (Continued)

#### *Interfund Receivables, Payables and Transfers*

The composition of the interfund balances as of June 30, 2011 is as follows:

	Interfund Receivable	Interfund Payable
Primary government		
General Fund	\$ 92,922	\$ 38,676
BOCHES	38,676	-
Grants Fund	-	92,922
	<u>\$ 131,598</u>	<u>\$ 131,598</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, 2011 the District had the following interfund transfers:

	Transfers in	Transfers out
General Fund	\$ 21,000	\$ 150,547
Grants Fund	60,547	-
BOCHES	-	21,000
Food Service Fund	90,000	-
	<u>\$ 171,547</u>	<u>\$ 171,547</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, 2011

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### **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, 2011, 2010 and 2009 were approximately \$2,092,687, \$1,674,100 and \$1,537,000, respectively, which equaled 100% of the required contributions for each year. BOCHES contributions for the fiscal year ended June 30, 2011, 2010, 2009 were approximately \$167,100, \$124,600 and \$129,300 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, 2011 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, 2011, the District including BOCHES paid approximately \$87,000 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, 2011 and 2010, the District paid to WSBAIT \$2,554,765 and \$2,487,617, 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. As of June 30, 2011, the District was not assessed or contributed any reserves to WSBAIT. Additionally, in the event of voluntary withdrawal from WSBAIT, any incurred but not paid claims incurred by the employees covered by the District would become the responsibility of the District. As of the date of this report, the District did not have any plans to withdraw from WSBAIT.

##### ***Related party transactions***

During the fiscal year ended June 30, 2011, the District received \$190,000 from the Recreation Board to operate the swimming pool.

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

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**Note 3. Detailed Notes on All Funds (Continued)**

***Commitments and Contingencies***

As of June 30, 2011, the District had the following outstanding contract commitments:

	<u>Contract Amount</u>	<u>Completed Amount</u>	<u>Outstanding Amount</u>
Rawlins Elementary School - construction Saunders	\$ 23,847,179	\$ 22,913,230	\$ 933,949
Rawlins Elementary School - construction Reiman Corp.	988,520	979,174	9,346
Major maintenance	98,300	90,320	7,980
	<u>\$ 24,933,999</u>	<u>\$ 23,982,724</u>	<u>\$ 951,275</u>

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

***Subsequent Events***

August 2011, the District leased four new Thompson 84 passenger busses as replacement for 4 older busses used to transport students. The lease is in the amount of \$479,512 with annual payments of \$106,384. This is also a fully reimbursable expense from Wyoming Department of Education through the funding model.

The District has been approved by the School Facilities Division to build a new high school with a capacity of 502 students. Funding for the design has been provided in the State's 2011-2012 budget and funding for construction is allotted in the proposed 2013-2014 State budget.

In November 2011, the citizens of the District voted on and passed a capital construction bond to provide enhancements to the District in the amount of \$26,500,000. The bond proceeds will be used for a new Aquatic Center, additional classroom and athletic facilities, additional performing arts auditorium seating, and facilities for after-school programs. A new higher education facility and improvements for Little Snake River High School, including locker rooms were also included in the bond.

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## **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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 19,932,000	\$ 19,932,000	\$ 20,178,610	\$ 246,610
County sources	4,400,500	4,400,500	5,090,133	689,633
State sources	300,000	300,000	149,567	(150,433)
Other sources	-	-	-	-
Total revenues	<u>24,632,500</u>	<u>24,632,500</u>	<u>25,418,310</u>	<u>785,810</u>
Expenses				
Instruction	14,557,515	14,557,515	13,892,698	664,817
Instructional support	2,853,620	2,853,620	2,177,782	675,838
Support Services - general support	9,300,243	9,300,243	8,924,368	375,875
Facilities acquisition and construction	50,000	50,000	-	50,000
Payment to other government units	1,200,000	1,200,000	1,196,422	3,578
Total expenditures	<u>27,961,378</u>	<u>27,961,378</u>	<u>26,191,270</u>	<u>1,770,108</u>
Excess (deficiency) of revenues over expenditures	<u>(3,328,878)</u>	<u>(3,328,878)</u>	<u>(772,960)</u>	<u>2,555,918</u>
Change in fund balance	<u>(3,328,878)</u>	<u>(3,328,878)</u>	<u>(772,960)</u>	<u>\$ 2,555,918</u>
Fund balance - beginning of year	<u>5,463,576</u>	<u>5,463,576</u>	<u>5,463,576</u>	
Fund balance - end of year	<u>\$ 2,134,698</u>	<u>\$ 2,134,698</u>	<u>\$ 4,690,616</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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Revenues - all	\$ 2,467,916	\$ 2,467,916	\$ 2,518,739	\$ 50,823
Total revenues	<u>2,467,916</u>	<u>2,467,916</u>	<u>2,518,739</u>	<u>50,823</u>
Expenditures				
Personnel	1,918,082	1,918,082	1,866,139	51,943
Administration	705,833	705,833	398,254	307,579
Vocational	1,858,807	1,858,807	519,685	1,339,122
Total expenditures	<u>4,482,722</u>	<u>4,482,722</u>	<u>2,784,078</u>	<u>1,698,644</u>
Excess (deficiency) of revenues over expenditures	<u>(2,014,806)</u>	<u>(2,014,806)</u>	<u>(265,339)</u>	<u>\$ 1,749,467</u>
Fund balance - beginning of year	<u>3,888,765</u>	<u>3,888,765</u>	<u>3,888,765</u>	
Fund balance - end of year	<u>\$ 1,873,959</u>	<u>\$ 1,873,959</u>	<u>\$ 3,623,426</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,180,000	\$ 1,180,000	\$ 1,224,400	\$ 44,400
Interest	20,000	20,000	6,164	(13,836)
Total revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,230,564</u>	<u>30,564</u>
Expenditures				
Capital outlay	<u>1,981,388</u>	<u>1,981,388</u>	<u>998,948</u>	<u>982,440</u>
Total expenditures	<u>1,981,388</u>	<u>1,981,388</u>	<u>998,948</u>	<u>982,440</u>
Excess (deficiency) of revenues over expenditures	<u>(781,388)</u>	<u>(781,388)</u>	<u>231,616</u>	<u>\$ 1,013,004</u>
Fund balance - beginning of year	<u>781,765</u>	<u>781,765</u>	<u>781,765</u>	
Fund balance - end of year	<u>\$ 377</u>	<u>\$ 377</u>	<u>\$ 1,013,381</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)

### GRANTS FUND

Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 4,800,000	\$ 4,800,000	\$ 2,551,687	\$ (2,248,313)
State sources	600,000	600,000	581,750	(18,250)
Local sources	100,000	100,000	-	(100,000)
Investment earnings	-	-	192	192
Total revenues	<u>5,500,000</u>	<u>5,500,000</u>	<u>3,133,629</u>	<u>(2,366,371)</u>
Expenditures				
General instruction	4,701,645	4,701,645	3,135,462	1,566,183
Instructional support	200,000	200,000	-	200,000
General support	500,000	500,000	13,223	486,777
Total expenditures	<u>5,401,645</u>	<u>5,401,645</u>	<u>3,148,685</u>	<u>2,252,960</u>
Excess (deficiency) of revenues over expenditures over expenditures	<u>98,355</u>	<u>98,355</u>	<u>(15,056)</u>	<u>(113,411)</u>
Other financing sources				
Transfers in	-	-	60,547	(60,547)
sources	<u>-</u>	<u>-</u>	<u>60,547</u>	<u>(60,547)</u>
Net change in fund balances	<u>98,355</u>	<u>98,355</u>	<u>45,491</u>	<u>\$ (173,958)</u>
Fund balance - beginning of year	<u>(98,364)</u>	<u>(98,364)</u>	<u>(98,364)</u>	
Fund balance - end of year	<u>\$ (9)</u>	<u>\$ (9)</u>	<u>\$ (52,873)</u>	

See accompanying note to the required supplementary information

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTE TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2011

### 1. Explanation of Differences between Budgetary Basis and GAAP Basis

	General Fund	Board of Cooperative Higher Educational Service	Major Maintenance Fund	Grants Fund
<b>Revenues</b>				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 25,418,310	\$ 2,518,739	\$ 1,230,564	\$ 3,133,629
<b>Differences - Budget Basis to GAAP</b>				
Accrual of property taxes receivable	(241,491)	(21,940)	-	-
Intergovernmental revenue	237,547	13,484	-	72,150
Charges for service	(31,500)	1,932	-	-
Investment earnings	(483)	-	-	-
Contributions	-	(5,000)	-	-
Recapture payment	1,404,486	-	-	-
Taxes recorded in BOCHES	(1,235,098)	-	-	-
<b>Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<u>\$ 25,551,771</u>	<u>\$ 2,507,215</u>	<u>\$ 1,230,564</u>	<u>\$ 3,205,779</u>
<b>Expenditures</b>				
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 26,191,270	\$ 2,784,078	\$ 998,948	\$ 3,148,685
<b>Differences - Budget Basis to GAAP</b>				
Accrual of accounts payable	(145,798)	21,854	(35,813)	63,412
Transfer to other funds	(150,548)	-	-	-
Principal payments on capital lease	176,736	4,218	-	-
Taxes recorded in BOCHES	(1,235,098)	-	-	-
<b>Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds</b>	<u>\$ 24,836,562</u>	<u>\$ 2,810,150</u>	<u>\$ 963,135</u>	<u>\$ 3,212,097</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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 18,000,000	\$ 18,000,000	\$ 13,620,833	\$ (4,379,167)
Total revenues	18,000,000	18,000,000	13,620,833	(4,379,167)
Expenditures				
Capital outlay	18,133,040	18,133,040	13,620,833	4,512,207
Total expenditures	18,133,040	18,133,040	13,620,833	4,512,207
Excess (deficiency) of revenues over expenditures	(133,040)	(133,040)	-	\$ 133,040
Fund balance - beginning of year	133,041	133,041	133,041	
Fund balance - end of year	\$ 1	\$ 1	\$ 133,041	

### *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, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 25,797	\$ 25,797
Total revenues	-	-	25,797	25,797
Expenditures				
Capital outlay	2,700,000	2,700,000	-	2,700,000
Total expenditures	2,700,000	2,700,000	-	2,700,000
Excess (deficiency) of revenues over expenditures	(2,700,000)	(2,700,000)	25,797	\$ 2,725,797
Fund balance - beginning of year	2,728,042	2,728,042	2,728,042	
Fund balance - end of year	\$ 28,042	\$ 28,042	\$ 2,753,839	

### *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**

**CARBON COUNTY SCHOOL DISTRICT #1**  
**NET ASSETS BY COMPONENT**  
**LAST 9 YEARS**  
**(Unaudited)**

Governmental Activities	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Invested in capital assets, net of related debt	\$ 40,984,314	\$ 29,390,149	\$ 16,534,830	\$ 14,430,317
Restricted	7,347,945	3,472,334	-	-
Unrestricted	4,993,212	8,276,318	9,065,827	8,308,713
Total primary government net assets	<u>\$ 53,325,471</u>	<u>\$ 41,138,801</u>	<u>\$ 25,600,657</u>	<u>\$ 22,739,030</u>

Note: The District began to report accrual information when in implemented GASB 34 in 2003.

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 10,809,932	\$ 10,331,931	\$ 10,115,675	\$ 10,176,185	\$ 9,911,033
-	-	-	-	-
5,578,125	5,507,157	5,289,020	5,563,197	6,494,058
<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 9 YEARS**  
**(Unaudited)**

Expenses	2011	2010	2009	2008
Instructional programs	\$ 16,765,568	\$ 16,355,136	\$ 13,695,178	\$ 11,669,817
Support services				
Pupil transportation	1,162,602	1,069,416	1,247,277	1,249,827
Other support services	12,118,677	9,074,607	9,100,576	8,499,619
BOCHES	2,824,583	2,737,299	2,746,942	2,698,414
Nutrition services	747,581	737,048	671,628	634,728
Interest on long-term debt	25,172	28,414	16,324	18,609
<b>Total expenses</b>	<b>33,644,183</b>	<b>30,001,920</b>	<b>27,477,925</b>	<b>24,771,014</b>
Program revenue				
Charges for services	655,859	679,486	742,499	792,177
Operating grants and contributic	4,074,920	3,694,212	2,954,095	2,434,756
Capital grants	12,630,341	12,817,780	-	-
<b>Total program revenues</b>	<b>17,361,120</b>	<b>17,191,478</b>	<b>3,696,594</b>	<b>3,226,933</b>
General Revenues				
Taxes	29,057,277	45,521,368	34,716,336	36,020,500
Governmental aid	-	-	-	-
Investments	53,801	101,835	119,043	215,601
Recapture	(708,299)	(17,259,281)	(8,135,913)	(8,425,945)
Miscellaneous	32,291	16,960	(12,666)	92,768
<b>Total revenue</b>	<b>45,796,190</b>	<b>45,572,360</b>	<b>30,383,394</b>	<b>31,129,857</b>
<b>Changes in net assets</b>	<b>\$ 12,152,007</b>	<b>\$ 15,570,440</b>	<b>\$ 2,905,469</b>	<b>\$ 6,358,843</b>

Note: The District began to report accrual information when in implemented GASB 34 in 2003.

2007	2006	2005	2004	2003
\$ 13,143,082	\$ 12,264,231	\$ 10,208,395	\$ 9,904,881	\$ 9,107,524
1,008,269	838,941	948,078	910,740	797,838
7,919,040	6,458,814	6,991,170	5,952,548	5,653,838
2,440,668	1,850,407	1,678,861	1,220,465	1,488,542
568,918	527,918	447,057	443,539	443,726
28,999	37,318	34,276	23,147	28,815
25,108,976	21,977,629	20,307,837	18,455,320	17,520,283
689,107	634,962	502,934	455,094	506,360
2,868,543	2,066,508	1,766,328	1,671,474	1,273,867
-	-	-	-	-
3,557,650	2,701,470	2,269,262	2,126,568	1,780,227
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
280,974	364,168	100,655	43,989	110,641
(14,436,820)	(11,790,054)	(3,500,549)	-	(2,470,498)
6,104	131,218	(200,000)	19,073	24,689
25,819,568	22,414,933	19,976,189	17,002,826	21,220,052
\$ 710,592	\$ 437,304	\$ (331,648)	\$ (1,452,494)	\$ 3,699,769



**CARBON COUNTY SCHOOL DISTRICT #1**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST 9 YEARS**  
**(Unaudited)**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>General Fund</b>				
Unspendable	\$ 55,226	\$ 58,892	\$ 41,269	\$ 33,840
Restricted	-	1,404,486	-	-
Unassigned	<u>4,966,604</u>	<u>2,972,790</u>	<u>4,172,576</u>	<u>4,582,897</u>
<b>Total General Fund</b>	<u><u>\$ 5,021,830</u></u>	<u><u>\$ 4,436,168</u></u>	<u><u>\$ 4,213,845</u></u>	<u><u>\$ 4,616,737</u></u>
<b>All Other Governmental Funds</b>				
Restricted				
Major Maintenance Fund	\$ 3,898,601	\$ 3,472,334	\$ 694,056	\$ 1,116,574
Depreciation Fund	-	-	1,600,000	-
BOCHES	3,582,385	3,869,084	2,651,551	2,466,255
Committed				
Capital Construction Fund	-	132,960	139,822	147,225
Unassigned				
Grant Fund	42,961	(11,268)	27,053	86,102
Other Governmental Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total all other governmental funds</b>	<u><u>\$ 7,523,947</u></u>	<u><u>\$ 7,463,110</u></u>	<u><u>\$ 5,112,482</u></u>	<u><u>\$ 3,816,156</u></u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 33,841	\$ 37,416	\$ 404,566	\$ 202,500	\$ 37,416
-	-	-	-	-
<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>\$ 2,644,690</u>	<u>\$ 2,822,786</u>	<u>\$ 3,975,117</u>	<u>\$ 3,546,129</u>	<u>\$ 2,840,956</u>
\$ 1,177,729	\$ 934,482	\$ 237,265	\$ 563,543	\$ 562,906
-	-	-	-	-
1,885,545	1,422,477	1,017,342	860,671	806,451
59,752	-	-	-	-
22,929	-	-	-	-
<u>-</u>	<u>9,574</u>	<u>45,635</u>	<u>3,586</u>	<u>(12,745)</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 9 YEARS**  
**(Unaudited)**

	2011	2010	2009
<b>Revenues</b>			
Taxes	\$ 26,453,598	\$ 43,720,800	\$ 32,681,790
Intergovernmental revenues	18,957,325	17,760,655	5,915,332
Charges for services	390,845	416,481	460,550
Investment income	53,078	100,900	118,149
Miscellaneous	29,844	22,032	20,683
Public contributions	5,000	-	-
Repayment to State Foundation	(29,924)	-	(54,878)
Recapture payment	(708,299)	(17,259,281)	(8,135,913)
<b>Total revenues</b>	<u>45,151,467</u>	<u>44,761,587</u>	<u>31,005,713</u>
<b>Expenditures</b>			
Instruction	17,404,217	15,956,965	15,192,569
Support services	26,867,033	13,581,537	14,051,794
Facilities acquisition and construction	-	12,856,190	931,154
Debt service			
Principal	154,883	152,192	199,948
Interest	26,071	28,612	17,102
<b>Total expenditures</b>	<u>44,452,204</u>	<u>42,575,496</u>	<u>30,392,567</u>
<b>Excess (deficiency) of revenues</b>			
Over (under) expenditures	<u>699,263</u>	<u>2,186,091</u>	<u>613,146</u>
<b>Other financing sources (uses)</b>			
Transfers in	81,547	1,100,000	1,600,000
Transfers (out)	(171,547)	(1,180,000)	(1,640,000)
Proceeds from tax anticipation bonds	-	-	-
Proceeds from capital lease	37,236	466,860	320,288
<b>Total other financing sources (uses)</b>	<u>(52,764)</u>	<u>386,860</u>	<u>280,288</u>
<b>Net changes in fund balances</b>	<u>646,499</u>	<u>2,572,951</u>	<u>893,434</u>
<b>Fund Balance</b>			
Beginning of year	11,899,278	9,326,327	8,432,893
Prior period adjustment	-	-	-
Fund balances, beginning of year as restated	11,899,278	9,326,327	8,432,893
Change in inventory	-	-	-
End of year	<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	\$ 13,945,771
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	18,742,633
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
2000	15,579	\$ 24,379	6.8	\$ 379,793	5.8
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	15,885	*	*	*	*
2011	*	*	*	*	*

(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

**CARBON COUNTY SCHOOL DISTRICT #1**  
**CAPITAL ASSET FACILITIES INFORMATION**  
**AS OF JUNE 30, 2011**  
**(Unaudited)**

Building	Year of Original Construction	Square Footage	Enrollment 10/2010	Average Age of Building (in years)
<b>Elementary Schools</b>				
Pershing	1949	31,281	-	62
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		1,095,168		
<b>Middle Schools</b>				
Rawlins Middle School	1978	91,846	269	33
Total		91,846		
<b>High Schools</b>				
Rawlins High School	1957	230,325	444	54
Total		230,325		
<b>K-12 Building</b>				
Little Snake River	1972	55,837	119	39
Total		55,837		
<b>Other Buildings</b>				
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**

Year Ended June 30	Students (1)	General Fund Operational Costs	General Fund Per Student Operational Costs	Nutritional Services Program	
				Breakfast	
				Paid	Free or Reduced
2002	1778	\$ 14,915,204	\$ 8,389	*	*
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

(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
*	*	*	478	27
*	*	*	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	*	*



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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
2002	56	335,425	500	27.32
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

(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)**

<b>Year Ended June 30</b>	<b>State School Foundation</b>	<b>Mandatory County</b>	<b>Operating</b>	<b>Bond and Interest</b>	<b>BOCHES</b>	<b>Vocational and Adult</b>
2002	12.000	6.000	25.000	0.000	1.000	1.500
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

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

<b>Recreation</b>	<b>Total</b>
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
2002	\$ 502,358,573	\$ -	\$ -	\$ -	\$ -	\$ -
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	-	-	-	-	-

(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%
	-		-	-	0%

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

Year Ended June 30	Assessed Valuation	(Decrease)
1992	\$ 246,092,501	0
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

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
2002	\$ 6,299,420	\$ 10,680,346	\$ 38,381,705	\$ 55,361,471	\$ 10,276,614	\$ 338,472,292
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	*	*

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

\* Information not available.

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	Miscellaneous	
Oil	Minerals	Total Minerals
\$ 26,301,185	\$ 505,496	\$ 375,555,587
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
*	*	*

**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
2002	1778	124	14.31 : 1
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	*	*	* *

(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
2002	1830	\$ 274,513
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

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
2002	139.29	24.77	20.71	82.2	266.97
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	*	*	*	*	*

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, 2011

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	\$ 45,881
National School Lunch Program	-	10.555	261,728
National School Lunch Program - USDA			
Commodities	-	10.555	46,900
Summer Food Service Program for Children	-	10.559	33
Total Child Nutrition Cluster			<u>354,542</u>
Child and Adult Food Care Program	-	10.558	7,437
Total U.S. Department of Agriculture			<u>361,979</u>
National Endowment for the Arts			
Passed through the Wyoming Arts Council			
Promotion of the Arts Partnership Agreements	-	45.025	685
Total National Endowment for the Arts			<u>685</u>
U.S. Department of Education			
Passed Through Wyoming Department of Education			
Title I, Part A Cluster			
Title I Grants to Local Educational Agencies	100401T1A00	84.010A	58,834
Title I Grants to Local Educational Agencies	110401T1A00	84.010A	467,836
Title I Grants to Local Educational Agencies	110401T1SIW1	84.010A	147,373
			<u>674,043</u>
Title I Grants to Local Educational Agencies,			
Recovery Act - ARRA	100401AT1A00	84.389	423,236
Total Title I, Part A Cluster			<u>1,097,279</u>
Special Education Cluster			
Special Education - Grants to States	100401VIB00	84.027A	80,059
Special Education - Grants to States	110401VIB00	84.027A	550,762
			<u>630,821</u>
Special Education - Grants to States,			
Recovery Act - ARRA	100401AVIB00	84.391A	304,430
			<u>935,251</u>
Special Education - Preschool Grants,			
Recovery Act - ARRA	09VIBP257I	84.392A	9,903
			<u>9,903</u>
Total Special Education Cluster			<u>945,154</u>
Vocational Education - Basic Grants to States	100401VEA00	84.048A	46
Vocational Education - Basic Grants to States	110401VEA00	84.048A	26,484
			<u>26,530</u>

(Continued)

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**Year Ended June 30, 2011**

<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	090401SDFS00	84.186A	\$ 3,430
Safe and Drug-Free Schools and Communities - State Grants	100401SDFS00	84.186A	6,189
Safe and Drug-Free Schools and Communities - State Grants	-	84.186B	12,500
			<u>22,119</u>
Educational Technology State Grants Cluster			
Education Technology State Grants	110401T2D00	84.318X	<u>5,098</u>
Total Educational Technology State Grants Cluster			<u>5,098</u>
English Language Acquisition Grants	100401T3E00	84.365A	244
English Language Acquisition Grants	110401T3E00	84.365A	4,255
			<u>4,499</u>
Improving Teacher Quality State Grants	100401T2A00	84.367A	16,736
Improving Teacher Quality State Grants	110401T2A00	84.367A	277,594
			<u>294,330</u>
School Improvement Grants Cluster			
School Improvement Grants	090401T1SIW2	84.377A	<u>75,732</u>
			<u>75,732</u>
Education Jobs Fund	-	84.410A	<u>124,908</u>
Total U.S. Department of Education			<u>2,595,649</u>
U.S. Department of Health and Human Services			
Passed through Wyoming Department of Health			
Substance Abuse and Mental Health Services			
Projects of Regional and National Significance	-	93.243	<u>21,810</u>
Cooperative Agreements to Support			
Comprehensive School Health Programs to			
Prevent the Spread of HIV and Other			
Important Health Problems	-	93.938	<u>4,271</u>
Block Grants for Prevention and Treatment of			
Substance Abuse	-	93.959	<u>54,373</u>
Total U.S. Department of Health and Human			<u>80,454</u>
Services			<u>\$ 3,038,767</u>

Notes:

Schedule of was prepared on the cash basis.

The value of non-cash awards for USDA commodities was \$46,900.



# **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, 2011, which collectively comprise Carbon County School District #1's basic financial statements and have issued our report thereon dated December 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered 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 12, 2011.

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 12, 2011



# **PORTER, MUIRHEAD, CORNIA & HOWARD**

(A Corporation of Certified Public Accountants)

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**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, 2011. 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-2011-02* in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding allowable costs that are applicable to its Title I, Part A Cluster and Special Education Cluster. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements to these programs.

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, 2011.

***Internal Control Over Compliance***

The 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 as 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 certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 that deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items *SA-2011-01* and *SA-2011-02* to be material weaknesses.

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

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

Certified Public Accountants

December 12, 2011

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended June 30, 2011**

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**Section I – Summary of Auditor's Results**

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***Financial Statements***

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified  
that are not considered to be material  
weaknesses? No

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major programs:

Material weaknesses identified? Yes

Significant deficiencies identified  
that are not considered to be material  
weaknesses? No

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

Any audit findings disclosed that are required to be  
reported in accordance with section 510 (a)  
of Circular A-133? Yes

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

***Nutrition Cluster***

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	USDA Commodities
10.559	Summer Food Service Program for Children

***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 – ARRA

***Special Education Cluster***

84.027	Special Education – Grants to States
84.391	Special Education – Grants to States Recovery Act - ARRA
84.173	Special Education – Preschool Grants
84.392	Special Education – Preschool Grants Recovery Act - ARRA



**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended June 30, 2011**

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

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

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**Section II - Financial Statement Findings**

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*None*

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**Section III - Federal Award Findings and Questioned Costs**

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***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

***Criteria***

Government-wide requirements for nonprocurement suspension and debarment are contained in the OMB guidance in 2 CFR part 180, which implements Executive Orders 12549 and 12689, Debarment and Suspension. The OMB guidance, which superseded the suspension and debarment common rule published November 26, 2003, is substantially the same as that rule. Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or nonprocurement debarment and suspension guidance contains those additional limited circumstances. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions.

***Condition***

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

***Questioned Costs***

None

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued) Year Ended June 30, 2011

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### ***SA-2011-01 (Continued)***

#### ***Cause***

While the majority of the District's expenditures from Title I and Special Education grants are for payroll and related expenses, the grants management personnel were not aware of the debarment and suspension compliance requirement.

#### ***Recommendation***

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

#### ***Management Response***

The District will review the suspension and debarment requirements and establish control procedures accordingly.

### ***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

#### ***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.

# CARBON COUNTY SCHOOL DISTRICT #1

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Year Ended June 30, 2011

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### *SA-2011-01 (Continued)*

#### ***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.

#### ***Questioned Costs***

None

#### ***Cause***

The District's internal control over time-and-effort log requirement did not function as designed.

#### ***Recommendation***

We recommend the District review its internal control over the time-and-effort log requirements and policies and procedures regarding the support of salaries and wages charged to the grant and compared them to the requirements under OMB Circular A-87.

#### ***Management Response***

The District will review its internal control over the time-and-effort log requirements and policies and procedures regarding the support of salaries and wages charged to the grant and make appropriate revisions as necessary.

**CARBON COUNTY SCHOOL DISTRICT #1**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**Year Ended June 30, 2011**

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***SA-2010-01***

U.S. Department of Education

Passed-through Wyoming Department of Education

Title I, Part A Cluster

CFDA 84.010 Title I Grants to Local Educational Agencies

CFDA 84.369 Title I Grants to Local Educational Agencies Recovery Act - ARRA

***Condition:***

The District requested reimbursements in excess of incurred program costs.

***Status***

Condition has been corrected.

***SA-2010-02***

U.S. Department of Education

Passed-through Wyoming Department of Education

CFDA 84.027 Special Education - Grants to States

CFDA 84.391 Special Education - Grants to States Recovery Act - ARRA

CFDA 84.173 Special Education - Preschool Grants

CFDA 84.392 Special Education - Preschool Grants Recovery Act - ARRA

***Condition:***

The District's grant budget for contracts with the professional special education provider was \$63,000. The District paid \$15,836 in excess of the budgeted amount, and \$1,820 in excess of the contract approved by the Board. The contract approved by the Board was \$67,340 plus mileage. The District had only one contract type expenditure.

The District's special education teacher contract was incorrectly set up in the payroll system resulting in \$7,529 excess costs charged to the special education grant. The District has only one special education teacher whose salary is allocated.

The District's internal control over federal awards is not adequate to prevent improper payments being charged to federal awards.

***Status***

Condition has been corrected.

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