

# Carbon County School District #1

## FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2019





**CARBON COUNTY SCHOOL DISTRICT #1**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2019**

*This page is intentionally left blank*

# CONTENTS

---

## Financial Section

<b>Independent Auditor's Report</b>	1
<b>Management's Discussion and Analysis (Unaudited)</b>	4
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13
Fund Financial Statements	
Balance Sheet - Governmental Funds	15
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	20
Proprietary Funds	
Statement of Net Position - Proprietary Funds	21
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	22
Statement of Cash Flows - Proprietary Funds	23
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Financial Statements	27
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - General Fund (Unaudited)	47
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - Grants Fund (Unaudited)	48
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - Major Maintenance Fund (Unaudited)	49
Schedule of Changes in Net Pension Liability and Related Ratios (Unaudited)	50
Schedule of Pension Contributions (Unaudited)	52
Notes to Required Supplementary Information	54

## **CONTENTS (CONTINUED)**

---

### **Other Supplementary Information**

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - Capital Construction Fund – Capital Projects – Activity	57
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - Capital Construction Fund – Depreciation Reserve – Activity	58
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - Capital Construction Fund – Bond Construction – Activity	59
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis) - Capital Construction Fund – Repair and Maintenance Bond Reserve – Activity	60

### **Grant Compliance Section**

#### **Single Audit Section**

Schedule of Expenditures of Federal Awards	62
Notes to the Schedule of Expenditures of Federal Awards	63
Report on Internal Control over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	64
Report on Compliance for Each Major Federal Program and on Internal Control over Compliance	66
Schedule of Findings and Questioned Costs	69

#### **Summary Schedule of Prior Audit Findings Corrective Action Plan**

INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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



**MAIL:** PO Box 2750  
Casper, WY 82602-2750



**PHONE:** (307) 265-4311  
**FAX:** (307) 265-5180



**LOCATION:** 600 East 1<sup>st</sup> Street  
Casper, WY 82601

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Supplementary and Other Information***

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

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



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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carbon County School District #1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carbon County School District #1's internal control over financial reporting and compliance.

*Porter, Muirhead, Cornia & Howard*

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming  
November 18, 2019

*This page is intentionally left blank*

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

---

As management of Carbon County School District #1 ("District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements, and various supplementary information which follow this section.

### ***Financial Highlights***

The District's total combined net position was \$93,167,184 at June 30, 2019 which compares to \$99,683,783 at the beginning of the fiscal year, a decrease of 6.5 percent.

During the year, the District's total governmental activities expenses were \$64,177 less than the \$34,422,488 generated in taxes and other revenues for governmental activities.

The District had \$34,358,311 in expenses related to governmental activities; of which \$3,908,713 of these expenses were offset by program specific charges for services or grants and contributions.

The District decreased its outstanding long-term debt by \$1,793,929, excluding the net pension liability. The outstanding long-term debt includes \$19,205,730 a 15 year bond for construction, \$390,248 in accrued compensated absences, \$126,056 in construction retainage payable and \$277,635 in lease purchase obligations. The District participates in the Public Employees' Pension Plan, a statewide cost-sharing multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System. The District recognized a net pension liability of \$26,839,087. All plan components, including the major components of participation, eligibility, investment strategy, benefit structure, contribution rates and plan administration are overseen by the Wyoming Retirement System Board. The District has no control of the plan elements that affect the net position.

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

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

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

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

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

# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2019

(Unaudited)

---

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

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

The District also participates in the oversight of the Board of Cooperative Higher Educational Services (BOCHES) and District's Recreation Board (Recreation Board), recognizing both as component units. BOCHES provides educational services, to postsecondary education, vocational-technical education and adult education through a cooperative effort with Western Wyoming Community College. The Recreation Board provides grants to fund public recreation projects within the District's boundaries.

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

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

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

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

***Fiduciary funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The District has 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 for a complete understanding of the data provided in the government-wide and fund financial statements.

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

**CARBON COUNTY SCHOOL DISTRICT #1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2019

(Unaudited)

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

The Statement of Net Position provides the perspective of the District as a whole. The following provides a summary of the District's net position at June 30, 2019:

**Condensed Statements of Net Position**

	2017-2018	2018-2019	2017-2018	2018-2019	2017-2018	2018-2019
	Governmental Activities		Business-Type Activities		Total	
Current and other assets	\$ 34,910,873	\$ 39,121,279	\$ 198,155	\$ 442,671	\$ 35,109,028	\$ 39,563,950
Capital assets	118,649,682	116,561,940	-	-	118,649,682	116,561,940
Total assets	153,560,555	155,683,219	198,155	442,671	153,758,710	156,125,890
Deferred outflow of resources	5,922,425	9,300,536	155,022	293,842	6,077,447	9,594,378
Current liabilities	1,104,196	3,487,521	33,888	45,650	1,138,084	3,533,171
Noncurrent liabilities	21,783,609	18,021,218	-	-	21,783,609	18,021,218
Net pension liability	19,594,521	26,250,387	324,859	588,700	19,919,380	26,839,087
Total liabilities	42,482,326	47,759,126	358,747	634,350	42,841,073	48,393,476
Deferred inflows of resources	23,175,200	24,062,503	136,101	97,105	23,311,301	24,159,608
Net investment in capital assets	99,245,142	98,794,972	-	-	99,245,142	98,794,972
Restricted						
Wyoming Statutes	5,245,750	8,296,659	-	-	5,245,750	8,296,659
Donors	78,272	83,636	-	-	78,272	83,636
Unrestricted	(10,743,710)	(14,013,141)	(141,671)	5,058	(10,885,381)	(14,008,083)
Total net position	\$ 93,825,454	\$ 93,162,126	\$ (141,671)	\$ 5,058	\$ 93,683,783	\$ 93,167,184

The net investment in capital assets is \$98,794,972, 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 \$17,766,968. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. Usually, an additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. Recording the net pension liability of \$26,839,087 results in a negative unrestricted net position of \$14,008,083. Without the pension liability there is a balance of unrestricted net position of \$12,831,004 that may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant operational resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

For governmental activities, the District's total net position decreased by \$663,328 during the year ended June 30, 2019. The total cost of all governmental activities this year was \$34,358,311 and of the business-type activity was \$1,604,867. The amount that taxpayers paid for these activities through property taxes was \$18,377,948.

**CARBON COUNTY SCHOOL DISTRICT #1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2019

(Unaudited)

**Changes in Net Position**

	2017-2018		2018-2019		2017-2018		2018-2019	
	Governmental-Type Activities		Business-Type Activities		Governmental-Type Activities		Business-Type Activities	
					Total		Total	
<b>Revenues</b>								
<b>Program revenues</b>								
Charges for services	\$ 116,135	\$ 138,063	\$ 290,531	\$ 310,765	\$ 406,666	\$ 448,828		
Operating grants and contributions	1,661,055	2,187,844	545,425	689,717	2,206,480	2,877,561		
Capital grants	4,439,049	1,582,806	-	-	4,439,049	1,582,806		
<b>General revenues</b>								
Taxes	13,332,481	18,377,948	-	-	13,332,481	18,377,948		
Investments	69,429	224,727	410	618	69,839	225,345		
Gain (loss) on disposal of capital assets	(1,538,935)	(978,106)	-	-	(1,538,935)	(978,106)		
Other state and local aid	16,953,210	12,738,332	-	-	16,953,210	12,738,332		
Miscellaneous	152,614	150,874	17,768	22,991	170,382	173,865		
<b>Total revenues</b>	<b>35,185,038</b>	<b>34,422,488</b>	<b>854,134</b>	<b>1,024,091</b>	<b>36,039,172</b>	<b>35,446,579</b>		
<b>Expenses</b>								
Regular instruction	11,742,914	11,342,030	-	-	11,742,914	11,342,030		
Special ed instruction	4,379,586	4,385,014	-	-	4,379,586	4,385,014		
Vocational education	326,527	292,472	-	-	326,527	292,472		
Pupil services	2,043,651	2,683,744	-	-	2,043,651	2,683,744		
<b>Instructional staff services</b>								
	873,851	953,969	-	-	873,851	953,969		
<b>General admin services</b>								
	276,742	315,111	-	-	276,742	315,111		
<b>School admin services</b>								
	1,710,575	1,848,069	-	-	1,710,575	1,848,069		
<b>Business services</b>								
	688,498	701,506	-	-	688,498	701,506		
<b>O&amp;M of plant services</b>								
	6,312,307	6,512,527	-	-	6,312,307	6,512,527		
<b>Pupil transportation</b>								
	2,053,236	2,221,129	-	-	2,053,236	2,221,129		
<b>Central services</b>								
	1,973,944	2,189,517	-	-	1,973,944	2,189,517		
<b>Other support services</b>								
	213,800	229,181	-	-	213,800	229,181		
<b>Interest on long-term debt</b>								
	763,415	684,042	-	-	763,415	684,042		
<b>Food service fund</b>								
	-	-	966,114	1,049,876	966,114	1,049,876		
<b>Aquatic center fund</b>								
	-	-	472,846	554,991	472,846	554,991		
<b>Total expenses</b>	<b>33,359,046</b>	<b>34,358,311</b>	<b>1,438,960</b>	<b>1,604,867</b>	<b>34,798,006</b>	<b>35,963,178</b>		
Excess (deficiency) of revenues over expenditures	1,825,992	64,177	(584,826)	(580,776)	1,241,166	(516,599)		
<b>Payments to Recreation Board</b>								
	(300,000)	-	-	-	(300,000)	-		
<b>Transfers</b>								
	(400,000)	(727,505)	400,000	727,505	-	-		
<b>Change in net position</b>	<b>1,125,992</b>	<b>(663,328)</b>	<b>(184,826)</b>	<b>146,729</b>	<b>941,166</b>	<b>(516,599)</b>		
Beginning net position	92,699,462	93,825,454	43,155	(141,671)	92,742,617	93,683,783		
<b>Ending net position</b>	<b>\$ 93,825,454</b>	<b>\$ 93,162,126</b>	<b>\$ (141,671)</b>	<b>\$ 5,058</b>	<b>\$ 93,683,783</b>	<b>\$ 93,167,184</b>		

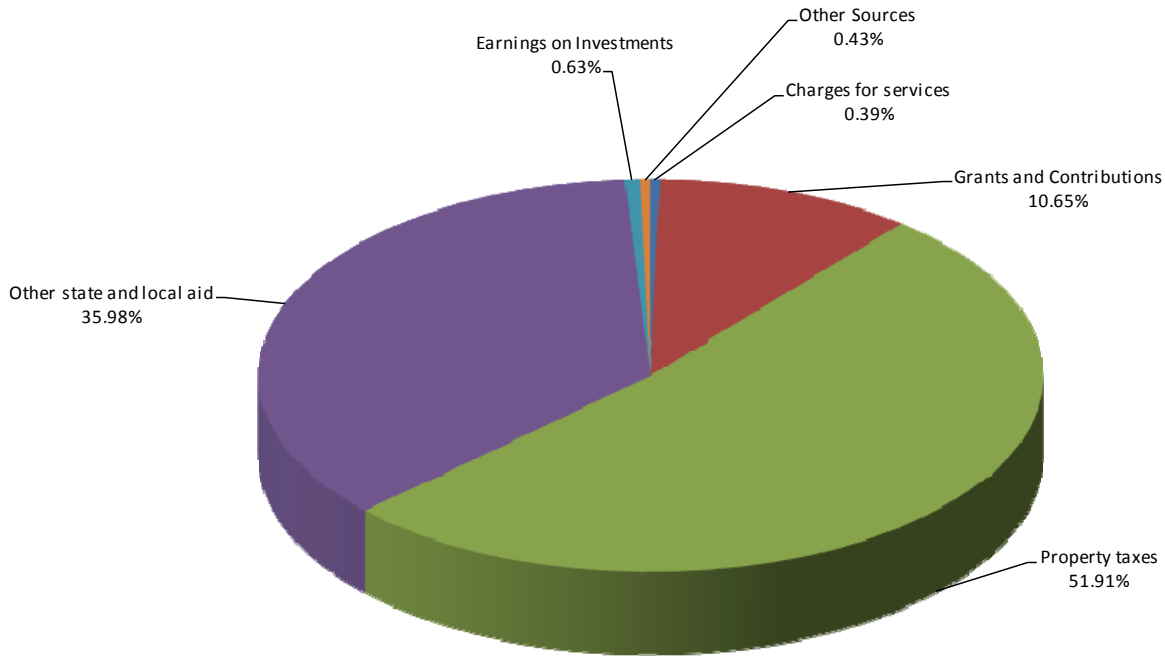
# CARBON COUNTY SCHOOL DISTRICT #1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

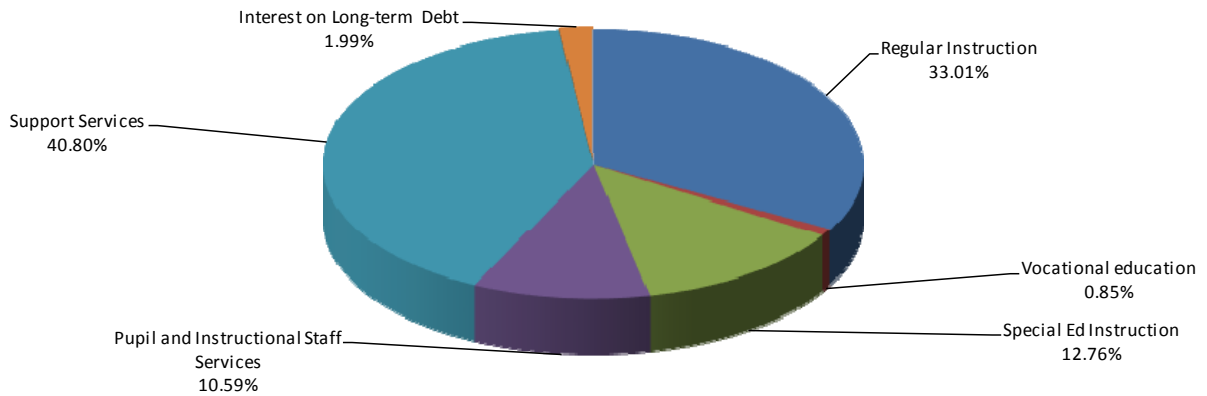
June 30, 2019

(Unaudited)

Carbon County School District #1  
Revenues by Source - Governmental Activities  
Year Ended June 30, 2019



Carbon County School District #1  
Expenses by Function - Governmental Activities  
Year Ended June 30, 2019



**CARBON COUNTY SCHOOL DISTRICT #1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2019

(Unaudited)

---

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

**Governmental Funds**

***Revenues***

General fund revenues, increased to \$30,363,337 in FY 2019 from \$26,318,316 in FY 2018 due to an increase in tax revenues.

In comparison to the prior year, major maintenance revenues from the State of Wyoming increased by \$621,503. The major maintenance revenue depends on the State's allocation and varies from year to year.

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

The total food service fund revenues for FY 2019 were \$662,270 an increase of \$79,821 from the prior year. The expenses incurred to provide this program decreased by \$83,762 from the prior year. The food service fund had a net loss before transfers of \$387,606 in FY 2019, compared to a net loss before transfers of \$383,665 in FY 2018. The aquatic center fund for FY 2019 had revenue of \$361,821 with expenses incurred to provide this program of \$554,991.

**Capital Asset and Debt Administration**

***Capital Assets***

The District's investment in capital assets for its governmental activities as of June 30, 2019 is \$116,561,940 (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)**

	<u>2017-2018</u>	<u>2018-2019</u>
Land	\$ 1,030,694	\$ 1,019,694
Construction in progress	480,158	1,476,984
Buildings and improvements	115,803,995	112,205,600
Vehicles	855,340	1,321,150
Furniture and equipment	479,495	538,512
Total	<u><u>\$118,649,682</u></u>	<u><u>\$116,561,940</u></u>

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



**CARBON COUNTY SCHOOL DISTRICT #1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2019

(Unaudited)

---

***Long-Term Debt***

The following is a summary of the District's debt transactions related to lease purchase obligations, Series 2012 bonds, retainage payable and accrued compensated absences, excluding the net pension liability, of the District for the year ended June 30, 2019:

Debt outstanding at July 1, 2018	\$ 21,793,598
New debt issued	516,304
Debt retired	2,310,233
Debt outstanding at June 30, 2019	<u>\$ 19,999,669</u>

***Budgetary Information***

During the fiscal year ended June 30, 2019, the District amended the general fund budget during the year. The amendments decreased the expenditure budget for instruction by \$700,000, instructional support by \$200,000, support services – general support by \$130,000, facility construction by \$600,000, and increased budgeted other uses/transfers out by \$1,630,000.

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

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

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

***Request for Information***

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

*This page is intentionally left blank*

**BASIC FINANCIAL STATEMENTS**

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

STATEMENT OF NET POSITION

June 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BOCHES	Recreation Board
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 11,520,562	\$ 397,075	\$ 11,917,637	\$ 462,715	\$ 915,317
Cash held by fiscal agent	2,812,777	-	2,812,777	228,244	12,939
Restricted cash - bond proceeds	871,723	-	871,723	-	-
Property taxes receivable	23,420,879	-	23,420,879	1,678,706	671,485
Accounts receivable	-	13,126	13,126	4,608	-
Due from other governments	377,366	25,732	403,098	-	2,285
Internal balances	8,605	(8,605)	-	-	-
Prepaid items	83,554	-	83,554	-	-
Inventory	25,813	15,343	41,156	-	-
Non-current assets					
Land	1,019,694	-	1,019,694	165,168	-
Construction in progress	1,476,984	-	1,476,984	-	-
Capital assets, net of accumulated depreciation	114,065,262	-	114,065,262	87,135	-
Total assets	<u>155,683,219</u>	<u>442,671</u>	<u>156,125,890</u>	<u>2,626,576</u>	<u>1,602,026</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan items	9,300,536	293,842	9,594,378	515,639	-
Total deferred outflows of resources	<u>9,300,536</u>	<u>293,842</u>	<u>9,594,378</u>	<u>515,639</u>	<u>-</u>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	1,025,283	1,295	1,026,578	10,924	-
Accrued salaries payable	492,963	19,190	512,153	17,026	-
Due to others	213	-	213	-	-
Unearned revenue	-	15,776	15,776	-	-
Noncurrent liabilities					
Due within one year	1,969,062	9,389	1,978,451	8,962	-
Due in more than one year	18,021,218	-	18,021,218	32,729	-
Net pension liability	26,250,387	588,700	26,839,087	1,398,513	-
Total liabilities	<u>47,759,126</u>	<u>634,350</u>	<u>48,393,476</u>	<u>1,468,154</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable property tax revenue	20,995,310	-	20,995,310	1,496,014	598,406
Pension plan items	3,067,193	97,105	3,164,298	341,551	-
Total deferred inflows of resources	<u>24,062,503</u>	<u>97,105</u>	<u>24,159,608</u>	<u>1,837,565</u>	<u>598,406</u>
<b>NET POSITION</b>					
Net investment in capital assets Restricted by Wyoming state statutes	98,794,972	-	98,794,972	151,074	-
Restricted by donors	8,296,659	-	8,296,659	-	1,003,620
Unrestricted (deficit)	83,636	-	83,636	-	-
Total net position	<u>(14,013,141)</u>	<u>5,058</u>	<u>(14,008,083)</u>	<u>(314,578)</u>	<u>-</u>
	<u>\$ 93,162,126</u>	<u>\$ 5,058</u>	<u>\$ 93,167,184</u>	<u>\$ (163,504)</u>	<u>\$ 1,003,620</u>

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2019

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 11,342,030	\$ 138,063	\$ 1,203,880	\$ -
Special instruction	4,385,014	-	586,936	-
Vocational education	292,472	-	41,192	-
Support services				
Pupil services	2,683,744	-	105,010	-
Instructional staff services	953,969	-	233,034	-
General administration services	315,111	-	12,570	-
School administration services	1,848,069	-	5,222	-
Business services	701,506	-	-	-
Operation and maintenance of plant services	6,512,527	-	-	1,540,391
Pupil transportation services	2,221,129	-	-	-
Central services	2,189,517	-	-	42,415
Other support services	229,181	-	-	-
Interest on long-term debt	684,042	-	-	-
Total governmental activities	<u>34,358,311</u>	<u>138,063</u>	<u>2,187,844</u>	<u>1,582,806</u>
Business-type activities				
Food service fund	1,049,876	245,093	393,794	-
Aquatic center fund	554,991	65,672	295,923	-
Total business-type activities	<u>1,604,867</u>	<u>310,765</u>	<u>689,717</u>	<u>-</u>
Total primary government	<u>\$ 35,963,178</u>	<u>\$ 448,828</u>	<u>\$ 2,877,561</u>	<u>\$ 1,582,806</u>
Component units				
BOCHES	\$ 1,810,424	\$ 146,822	\$ 6,664	\$ -
Recreation Board	589,611	-	-	-
Total component units	<u>\$ 2,400,035</u>	<u>\$ 146,822</u>	<u>\$ 6,664</u>	<u>\$ -</u>

General revenues

- Taxes
  - Property taxes, levied for general purposes
  - Property taxes, levied for debt services
  - Property taxes, levied for specific purposes
- Recreation
- BOCHES
- Other state and local aid
- Unrestricted investment earnings
- Unrestricted miscellaneous revenue
- Loss on disposal of capital assets
- Transfers
  - Total general revenues and transfers
- Change in net position
- Net position - beginning of year
- Net position - end of year

See accompanying notes to financial statements

Net (Expenses) Revenues and Changes in Net Position

Primary Government			Component Unit	Component Unit
Governmental Activities	Business-type Activities	Total	BOCHES	Recreation Board
\$ (10,000,087)	\$ -	\$ (10,000,087)	\$ -	\$ -
(3,798,078)	-	(3,798,078)	-	-
(251,280)	-	(251,280)	-	-
(2,578,734)	-	(2,578,734)	-	-
(720,935)	-	(720,935)	-	-
(302,541)	-	(302,541)	-	-
(1,842,847)	-	(1,842,847)	-	-
(701,506)	-	(701,506)	-	-
(4,972,136)	-	(4,972,136)	-	-
(2,221,129)	-	(2,221,129)	-	-
(2,147,102)	-	(2,147,102)	-	-
(229,181)	-	(229,181)	-	-
(684,042)	-	(684,042)	-	-
(30,449,598)	-	(30,449,598)	-	-
-	(410,989)	(410,989)	-	-
-	(193,396)	(193,396)	-	-
-	(604,385)	(604,385)	-	-
(30,449,598)	(604,385)	(31,053,983)	-	-
-	-	-	(1,656,938)	-
-	-	-	-	(589,611)
-	-	-	(1,656,938)	(589,611)
15,428,340	-	15,428,340	-	-
2,949,608	-	2,949,608	-	-
-	-	-	-	660,033
-	-	-	1,636,998	-
12,738,332	-	12,738,332	-	-
224,727	618	225,345	7,510	4,735
150,874	22,991	173,865	-	-
(978,106)	-	(978,106)	(36,405)	-
(727,505)	727,505	-	-	-
29,786,270	751,114	30,537,384	1,608,103	664,768
(663,328)	146,729	(516,599)	(48,835)	75,157
93,825,454	(141,671)	93,683,783	(114,669)	928,463
\$ 93,162,126	\$ 5,058	\$ 93,167,184	\$ (163,504)	\$ 1,003,620

**CARBON COUNTY SCHOOL DISTRICT #1**

BALANCE SHEET  
GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Grants Fund	Major Maintenance Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,001,282	\$ 89,949	\$ 1,746,015
Cash held by fiscal agent	464,050	-	-
Restricted cash - bond proceeds	-	-	-
Property taxes receivable	21,132,193	-	-
Due from other governments	37,619	339,747	-
Due from other funds	236,563	5,764	2,991
Prepaid items	61,618	21,936	-
Inventory	25,813	-	-
Total assets	<u>\$ 26,959,138</u>	<u>\$ 457,396</u>	<u>\$ 1,749,006</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 30,305	\$ 4,196	\$ 756,062
Due to other funds	5,764	221,028	-
Due to others	213		
Accrued salaries payable	461,027	31,936	-
Total liabilities	<u>497,309</u>	<u>257,160</u>	<u>756,062</u>
<b>Deferred inflows of resources</b>			
Unavailable property tax revenue	21,031,532	-	-
Unavailable intergovernmental revenue	-	116,600	-
Total deferred inflows of resources	<u>21,031,532</u>	<u>116,600</u>	<u>-</u>
<b>Fund balances</b>			
<b>Nonspendable</b>			
Prepaid items	61,618	-	-
Inventory	25,813	-	-
<b>Restricted</b>			
Major maintenance W.S. 21-15-109	-	-	992,944
Buildings and equipment W.S. 21-13-504	-	-	-
Bond - capital construction W.S. 21-13-701	-	-	-
Bond covenants W.S. 21-13-701(d)	-	-	-
Donors	-	83,636	-
Committed	-	-	-
Unassigned	5,342,866	-	-
Total fund balances	<u>5,430,297</u>	<u>83,636</u>	<u>992,944</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,959,138</u>	<u>\$ 457,396</u>	<u>\$ 1,749,006</u>

See accompanying notes to financial statements



Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ 4,683,316	\$ -	\$ 11,520,562
-	2,348,727	2,812,777
871,723	-	871,723
-	2,288,686	23,420,879
-	-	377,366
-	-	245,318
-	-	83,554
-	-	25,813
<u>\$ 5,555,039</u>	<u>\$ 4,637,413</u>	<u>\$ 39,357,992</u>
\$ 207,303	\$ -	\$ 997,866
9,921	-	236,713
-	-	492,963
<u>217,224</u>	<u>-</u>	<u>1,727,755</u>
-	2,238,661	23,270,193
-	-	116,600
<u>-</u>	<u>2,238,661</u>	<u>23,386,793</u>
-	-	61,618
-	-	25,813
-	-	992,944
4,033,240	-	4,033,240
-	2,398,752	2,398,752
871,723	-	871,723
-	-	83,636
432,852	-	432,852
-	-	5,342,866
<u>5,337,815</u>	<u>2,398,752</u>	<u>14,243,444</u>
<u>\$ 5,555,039</u>	<u>\$ 4,637,413</u>	<u>\$ 39,357,992</u>

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

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

June 30, 2019

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

Total fund balances - governmental funds		\$ 14,243,444
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		116,561,940
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Unavailable property tax revenue	\$ 2,274,883	
Unavailable intergovernmental revenue	<u>116,600</u>	2,391,483
Deferred outflows and inflows of resources are available revenue or available to pay for current period expenditures and therefore the underlying resources are not reported in the governmental funds.		
Pension plan items - deferred outflows of resources	9,300,536	
Pension plan items - deferred inflows of resources	<u>(3,067,193)</u>	6,233,343
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Series 2012 bonds payable, including accrued interest	(18,262,417)	
Series 2012 bonds payable premium, net of amortization	(970,730)	
Retainage payable	(126,056)	
Compensated absences	(380,859)	
Net pension liability	(26,250,387)	
Lease purchase obligations	<u>(277,635)</u>	<u>(46,268,084)</u>
Net position of governmental activities		<u><u>\$ 93,162,126</u></u>

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2019**

	General Fund	Grants Fund	Major Maintenance Fund
<b>Revenues</b>			
Taxes	\$ 17,156,957	\$ -	\$ -
Intergovernmental revenues	12,837,755	1,755,049	1,540,391
Charges for services	138,299	-	-
Investment income	138,138	272	37,240
Miscellaneous	92,188	178,842	-
<b>Total revenues</b>	<b>30,363,337</b>	<b>1,934,163</b>	<b>1,577,631</b>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular instruction	9,499,840	790,408	-
Special instruction	3,492,768	560,308	-
Vocation education	229,383	39,259	-
<b>Support services</b>			
Pupil services	2,418,136	100,212	-
Instructional staff services	660,227	222,464	-
General administration services	272,537	11,975	-
School administration services	1,675,098	5,046	-
Business services	692,043	-	-
Operation and maintenance of plant services	3,196,612	-	1,286,740
Pupil transportation services	2,182,144	116,600	-
Central services	1,542,819	-	-
Other support services	518,370	-	-
Facilities acquisition and construction services	-	-	-
<b>Debt service</b>			
Principal repayments	315,453	-	-
Interest	21,128	-	-
<b>Total expenditures</b>	<b>26,716,558</b>	<b>1,846,272</b>	<b>1,286,740</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>3,646,779</b>	<b>87,891</b>	<b>290,891</b>
<b>Other financing sources (uses)</b>			
Transfers in (out)	(3,127,505)	-	-
Proceeds from the sale of capital assets	16,281	-	-
<b>Total other financing sources (uses)</b>	<b>(3,111,224)</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>535,555</b>	<b>87,891</b>	<b>290,891</b>
<b>Fund balance</b>			
Beginning of year	4,812,215	78,272	702,053
Prior period adjustment	82,527	(82,527)	-
Beginning of year, as restated	4,894,742	(4,255)	702,053
End of year	\$ 5,430,297	\$ 83,636	\$ 992,944

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 2,934,016	\$ 20,090,973
394,643	-	16,527,838
-	-	138,299
49,077	-	224,727
4,848	-	275,878
<u>448,568</u>	<u>2,934,016</u>	<u>37,257,715</u>
-	-	10,290,248
-	-	4,053,076
-	-	268,642
-	-	2,518,348
-	-	882,691
-	-	284,512
-	-	1,680,144
-	-	692,043
-	-	4,483,352
-	-	2,298,744
-	-	1,542,819
-	-	518,370
703,907	-	703,907
-	1,450,000	1,765,453
-	763,056	784,184
<u>703,907</u>	<u>2,213,056</u>	<u>32,766,533</u>
<u>(255,339)</u>	<u>720,960</u>	<u>4,491,182</u>
2,400,000	-	(727,505)
-	-	16,281
<u>2,400,000</u>	<u>-</u>	<u>(711,224)</u>
2,144,661	720,960	3,779,958
3,193,154	1,677,792	10,463,486
-	-	-
<u>3,193,154</u>	<u>1,677,792</u>	<u>10,463,486</u>
<u>\$ 5,337,815</u>	<u>\$ 2,398,752</u>	<u>\$ 14,243,444</u>

**CARBON COUNTY SCHOOL DISTRICT #1**

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

Year Ended June 30, 2019

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

Net change in fund balances - total governmental funds \$ 3,779,958

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 gain on disposal of assets in the current period.

Capital outlay	\$ 2,560,319	
Depreciation expense	(3,653,675)	
Cost basis of asset disposition	(1,706,803)	
Accumulated depreciation of asset dispositions	<u>712,417</u>	(2,087,742)

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

Pension liability - prior year	19,594,521	
Pension liability - current year	(26,250,387)	
Pension plan items - prior year	(1,871,486)	
Pension plan items - current year	<u>6,233,343</u>	(2,294,009)

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.

Series 2012 bonds payments	1,450,000	
Series 2012 premium amortization	97,884	
Accrued interest on bond - current year	(27,417)	
Accrued interest on bond - prior year	29,673	
Principal payments on lease purchase obligations	<u>315,453</u>	1,865,593

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.

Current year retainage payable	(126,056)	
Prior year retainage payable	28,880	
Prior year total liability for compensated absences	408,027	
Current year total liability for compensated absences	<u>(380,859)</u>	(70,008)

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

Unavailable intergovernmental revenue - current year	116,600	
Reimbursements from School Facilities Department - prior year	(352,229)	
Reimbursements from School Facilities Department - current year		
Unavailable revenue - other government - prior year	(1,979,266)	
Unavailable property tax revenue - prior year	(1,917,108)	
Unavailable property tax revenue - current year	<u>2,274,883</u>	(1,857,120)

Changes in net position of governmental activities		<u><u>\$ (663,328)</u></u>
--	--	----------------------------

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS

June 30, 2019

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 319,532	\$ 77,543	\$ 397,075
Accounts receivable	13,126	-	13,126
Due from other governments	25,732	-	25,732
Inventory	15,343	-	15,343
Total current assets	<u>373,733</u>	<u>77,543</u>	<u>451,276</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension plan items	179,252	114,590	293,842
Total deferred outflows of resources	<u>179,252</u>	<u>114,590</u>	<u>293,842</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	338	957	1,295
Accrued salaries payable	5,774	13,416	19,190
Unearned revenue	15,776	-	15,776
Compensated absences	9,389	-	9,389
Due to other funds	8,316	289	8,605
Total current liabilities	<u>39,593</u>	<u>14,662</u>	<u>54,255</u>
Noncurrent liabilities			
Net pension liability	441,831	146,869	588,700
Total liabilities	<u>481,424</u>	<u>161,531</u>	<u>642,955</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension plan items	54,465	42,640	97,105
Total deferred inflows of resources	<u>54,465</u>	<u>42,640</u>	<u>97,105</u>
<b>NET POSITION</b>			
Unrestricted (deficit)	17,096	(12,038)	5,058
Total net position (deficit)	<u>\$ 17,096</u>	<u>\$ (12,038)</u>	<u>\$ 5,058</u>

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2019**

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
Operating revenues			
Charges for services	\$ 245,093	\$ 65,672	\$ 310,765
Miscellaneous	22,991	-	22,991
Total operating revenues	<u>268,084</u>	<u>65,672</u>	<u>333,756</u>
Operating expenses			
Salaries	309,383	315,266	624,649
Employee benefits	171,349	139,977	311,326
Purchased services	16,841	18,982	35,823
Supplies and materials	552,303	80,766	633,069
Total operating expenses	<u>1,049,876</u>	<u>554,991</u>	<u>1,604,867</u>
Operating loss	<u>(781,792)</u>	<u>(489,319)</u>	<u>(1,271,111)</u>
Nonoperating revenues			
Federal subsidy	393,794	-	393,794
Grants	-	295,923	295,923
Interest income	392	226	618
Total nonoperating revenues	<u>394,186</u>	<u>296,149</u>	<u>690,335</u>
Net loss before transfers	(387,606)	(193,170)	(580,776)
Transfers in	<u>537,505</u>	<u>190,000</u>	<u>727,505</u>
Change in net position	149,899	(3,170)	146,729
Net position (deficit) - beginning of year	<u>(132,803)</u>	<u>(8,868)</u>	<u>(141,671)</u>
Net position (deficit) - end of year	<u>\$ 17,096</u>	<u>\$ (12,038)</u>	<u>\$ 5,058</u>

See accompanying notes to financial statements



**CARBON COUNTY SCHOOL DISTRICT #1**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year Ended June 30, 2019

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 222,011	\$ 65,672	\$ 287,683
Cash payments to suppliers for goods and services	(521,435)	(108,430)	(629,865)
Cash payments to employees for services	(433,033)	(411,893)	(844,926)
Net cash used in operating activities	<u>(732,457)</u>	<u>(454,651)</u>	<u>(1,187,108)</u>
Cash flows from noncapital financing activities			
Operating transfers in	537,505	190,000	727,505
Payments from interfund activity	(5,219)	(98,060)	(103,279)
Subsidy received from federal grants	363,555	-	363,555
Subsidy received from local grants	-	295,923	295,923
Net cash provided by noncapital financing activities	<u>895,841</u>	<u>387,863</u>	<u>1,283,704</u>
Cash flows from investing activities			
Interest income	392	226	618
Net cash provided by investing activities	<u>392</u>	<u>226</u>	<u>618</u>
Net change in cash and cash equivalents	163,776	(66,562)	97,214
Cash and cash equivalents - beginning of year	<u>155,756</u>	<u>144,105</u>	<u>299,861</u>
Cash and cash equivalents - end of year	<u>\$ 319,532</u>	<u>\$ 77,543</u>	<u>\$ 397,075</u>

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

STATEMENT OF CASH FLOWS (CONTINUED)  
 PROPRIETARY FUNDS  
 Year Ended June 30, 2019

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
Reconciliation of operating loss to net cash and cash equivalents used in operating activities			
Operating loss	\$ (781,792)	\$ (489,319)	\$ (1,271,111)
Adjustments to reconcile operating loss to net cash and cash equivalents used in operating activities			
Amortization of pension plan items	(91,999)	(78,657)	(170,656)
Commodities - share of federal subsidy	30,239	-	30,239
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred inflows and outflows and liabilities			
Accounts receivable	(13,126)	-	(13,126)
Inventory	(5,165)	-	(5,165)
Due from other governments	(25,732)	-	(25,732)
Deferred outflow - pension plan items	(4,723)	(2,437)	(7,160)
Accounts payable	(356)	(8,682)	(9,038)
Accrued salaries payable	2,786	2,838	5,624
Unearned revenue	15,776	-	15,776
Compensated absences	(600)	-	(600)
Net pension liability	142,235	121,606	263,841
Net cash and cash equivalents used in operating activities	<u>\$ (732,457)</u>	<u>\$ (454,651)</u>	<u>\$ (1,187,108)</u>
Non-cash transactions			
The Food Service Fund received USDA commodities	\$ 30,239	\$ -	\$ -

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF FIDUCIARY NET POSITION**

June 30, 2019

	Private Purpose Trust Fund	Agency Fund Student Activities Fund
<b>ASSETS</b>		
Cash	\$ 253,134	\$ 297,664
Due from primary government	750	113
Total assets	<u>\$ 253,884</u>	<u>\$ 297,777</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 4,504
Due to student groups	760	292,623
Due to primary government	-	650
Total liabilities	<u>760</u>	<u>\$ 297,777</u>
<b>NET POSITION</b>		
Held in trust for scholarships	<u>253,124</u>	
Total net position	<u>\$ 253,124</u>	

See accompanying notes to financial statements

**CARBON COUNTY SCHOOL DISTRICT #1**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Year Ended June 30, 2019

	<u>Private Purpose Trust Fund</u>
Additions	
Scholarship donations	\$ 6,316
Interest income	<u>4,837</u>
Total additions	<u>11,153</u>
Deductions	
Scholarship awards	<u>5,116</u>
Total deductions	<u>5,116</u>
Change in net position	<u>6,037</u>
Net position - beginning of year	<u>247,087</u>
Net position - end of year	<u><u>\$ 253,124</u></u>

See accompanying notes to financial statements

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

---

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

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

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

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

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

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

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

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

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

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

---

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

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

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

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

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

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

The District reports the following major proprietary funds:

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

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

---

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

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

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

Additionally, the District reports the following fund types:

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

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

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

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

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

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

***Cash and Cash Equivalents and Restricted Cash***

For purposes of the statements of cash flows, the District considers all demand deposits and highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

The District's cash accounts consist of demand deposits and a money market account at Wyoming Government Investment Fund (WGIF), a governmental pool established in 1996 exclusively designed for Wyoming public entities. The WGIF Liquid Asset Series seeks to maintain a stable net asset value of \$1.00 and is managed to a maximum weighted average maturity of 60 days. WGIF Liquid Asset Series is rated AAAM by Standard & Poor's.

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

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

---

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

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

***Accounts Receivable***

The District considers all accounts receivable to be fully collectible at June 30, 2019 and, therefore no allowance for doubtful accounts is deemed necessary.

***Interfund Balances***

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

***Property Taxes***

Property taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied on or about August 1 and are payable in two installments. The first installment becomes due on September 1 and delinquent on November 10, the second becomes due on March 1 and delinquent on May 10. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County, including Carbon County School District #1. District property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period. Property taxes which are not current receivables are offset by deferred revenues on the fund financials, but are reported on the government-wide financial statements as revenue and receivables, with no amount being deferred when levied. Property taxes receivable are recognized as of the lien date; however, revenue is not recognized until the levy date.

The District is required by Wyoming Statutes to levy taxes of twenty-five mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. In addition, a county-wide school property tax of 6 mills is levied, BOCHES district tax for 2.5 mills, bonds and interest of 4.2 mills and a recreation district tax for 1 mill. The combined tax related to finance general school services other than the payment of principal and interest on long-term debt for the year ended June 30, 2019 was 36.95 mills.



**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

---

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

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

***Inventories***

Inventory is valued at the lower of cost (first-in, first-out) or market. Governmental fund type inventories are 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.

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.

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

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

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

***Pensions***

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

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

---

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

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

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

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

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

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

***Compensated Absences***

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

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

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

---

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

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

***Fund Balance and Net Position***

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

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

***Restricted Net Position***

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

***Use of Estimates***

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

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

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

---

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

#### ***Budgets and Budgetary Accounting***

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

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

The budget is adopted by the third Thursday of July.

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

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

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

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

### **Note 3. Deposits and Investments**

***Custodial credit risk - deposits.*** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that the District's deposits in excess of the Federal depository insurance amount be collateralized.

Deposits held in the District's bank accounts are typically insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the District. As of June 30, 2019, the District had bank balances of \$5,890,734 with a carrying amount of \$6,443,924. The bank balance of the District's fiduciary funds was \$316,300 with a carrying amount of \$314,468. The difference between the carrying amount and the bank balance is the result of the transactions in transit. Due to ACH deposits that were posted at the end on the day on June 28, 2019, the last business day of the fiscal year, the collateral held in joint custody with the financial institution was insufficient to cover the District's bank balance. Additional pledging was provided to cover the deposits on July 1, 2019, the next business day.

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

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

**Custodial credit risk - deposits with WGIF Liquid Asset Series.** The District also had cash equivalents of \$9,067,043 in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Pool's. Management does not believe its cash balances are at risk as a result of not being fully insured or collateralized. The District has not incurred any losses related to uninsured deposits.

**Credit risk.** The District follows the mandates for allowable investments as prescribed by Wyoming Statute 9-4-831 as their credit policy.

**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.

**Note 4. Capital Assets**

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

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,030,694	\$ -	\$ 11,000	\$ 1,019,694
Construction in progress	480,158	1,558,705	561,879	1,476,984
Total capital assets, not being depreciated	<u>1,510,852</u>	<u>1,558,705</u>	<u>572,879</u>	<u>2,496,678</u>
Capital assets, being depreciated				
Buildings and improvements	140,273,192	530,994	1,120,968	139,683,218
Vehicles	4,074,461	747,509	151,906	4,670,064
Property and equipment	1,241,011	284,990	422,929	1,103,072
Total capital assets, being depreciated	<u>145,588,664</u>	<u>1,563,493</u>	<u>1,695,803</u>	<u>145,456,354</u>
Less accumulated depreciation				
Buildings and improvements	24,469,197	3,279,362	270,941	27,477,618
Vehicles	3,219,121	281,699	151,906	3,348,914
Property and equipment	761,516	92,614	289,570	564,560
Total accumulated depreciation	<u>28,449,834</u>	<u>3,653,675</u>	<u>712,417</u>	<u>31,391,092</u>
Total capital assets, being depreciated, net	<u>117,138,830</u>	<u>(2,090,182)</u>	<u>983,386</u>	<u>114,065,262</u>
Governmental activities capital assets, net	<u>\$ 118,649,682</u>	<u>\$ (531,477)</u>	<u>\$ 1,556,265</u>	<u>\$ 116,561,940</u>

The District has \$695,951 assets (buses and office equipment) under capital leases with accumulated depreciation of \$261,409. The depreciation expense for the fiscal year ended June 30, 2019 was \$88,277.

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

**Note 4. Capital Assets (Continued)**

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

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Business-type activities				
Capital assets, being depreciated				
Property and equipment	\$ 19,900	\$ -	\$ -	\$ 19,900
Total capital assets, being depreciated	19,900	-	-	19,900
Less accumulated depreciation				
Property and equipment	19,900			19,900
Total accumulated depreciation	19,900	-	-	19,900
Business-type activities capital assets, net	\$ -	\$ -	\$ -	\$ -

A summary of changes in BOCHES capital assets follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not being depreciated				
Land	\$ 165,168	\$ -	\$ -	\$ 165,168
Total capital assets, not being depreciated	165,168	-	-	165,168
Capital assets, being depreciated				
Buildings and improvements	209,933	-	56,904	153,029
Vehicles	134,476	-	5,200	129,276
Property and equipment	469,376	-	189,497	279,879
Total capital assets, being depreciated	813,785	-	251,601	562,184
Less accumulated depreciation				
Buildings and improvements	125,607	7,844	20,988	112,463
Vehicles	110,218	5,019	5,200	110,037
Property and equipment	406,042	35,518	189,011	252,549
Total accumulated depreciation	641,867	48,381	215,199	475,049
Total capital assets, being depreciated, net	171,918	(48,381)	36,402	87,135
Total capital assets, net	\$ 337,086	\$ (48,381)	\$ 36,402	\$ 252,303

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

Governmental activities	
Regular instruction	\$ 92,614
Pupil transportation	281,699
Operation and maintenance of plant services	3,279,362
Total depreciation expenses - governmental activities	\$ 3,653,675

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

**Note 5. Long-term Debt**

The following is a summary of debt transactions of the District for the year ended June 30, 2019:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Lease purchase obligations	\$ 593,088	\$ -	\$ 315,453	\$ 277,635	\$ 145,860
Series 2012 bonds	19,685,000	-	1,450,000	18,235,000	1,510,000
Premium on Series 2012 bonds	1,068,614	-	97,884	970,730	97,887
Retainage payable	28,880	126,056	28,880	126,056	126,056
Accrued compensated absences	408,027	380,859	408,027	380,859	89,259
	<u>21,783,609</u>	<u>506,915</u>	<u>2,300,244</u>	<u>19,990,280</u>	<u>1,969,062</u>
Net pension liability	19,594,521	6,655,866	-	26,250,387	-
	<u>\$ 41,378,130</u>	<u>\$ 7,162,781</u>	<u>\$ 2,300,244</u>	<u>\$ 46,240,667</u>	<u>\$ 1,969,062</u>
<b>Business-type Activities</b>					
Accrued compensated absences	\$ 9,989	\$ 9,389	\$ 9,989	\$ 9,389	\$ 9,389
Net pension liability	324,859	263,841	-	588,700	-
	<u>\$ 334,848</u>	<u>\$ 273,230</u>	<u>\$ 9,989</u>	<u>\$ 598,089</u>	<u>\$ 9,389</u>

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

The summary of BOCHES debt transactions for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Due Within One Year
Lease purchase obligations	\$ 21,283	\$ -	\$ 7,189	\$ 14,094	\$ 8,962
Accrued compensated absences	31,916	27,597	31,916	27,597	-
	<u>53,199</u>	<u>27,597</u>	<u>39,105</u>	<u>41,691</u>	<u>8,962</u>
Net pension liability	1,157,578	240,935	-	1,398,513	-
	<u>\$ 1,210,777</u>	<u>\$ 268,532</u>	<u>\$ 39,105</u>	<u>\$ 1,440,204</u>	<u>\$ 8,962</u>

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

**Note 5. Long-term Debt (Continued)**

As of June 30, 2019 the District had the following outstanding lease purchase obligations:

Lease purchase obligations for five buses; interest rate of 3.85%, due in annual installments of \$151,845 including interest through May 2021; collateralized with buses.	\$ 270,406
Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$717 including interest through October 2020; collateralized with copiers.	3,968
Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$649 including interest through September 2020; collateralized with copiers.	3,261
	<u>\$ 277,635</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019, are as follows:

Year ended June 30,	
2020	\$ 157,311
2021	136,972
Total minimum payments	<u>294,283</u>
Less amount representing interest	16,648
Net future minimum payments	<u>\$ 277,635</u>

**Bonds**

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

The bonds are secured by an ad valorem tax to be levied against all taxable property within the District. In the event of a default in the payment of principal or interest on the bonds, there is no provision for acceleration of maturity of the principal of the bonds.

The debt service requirement and premium amortization on the Series 2012 bonds as of June 30, 2019 is as follows:

Year Ending June 30	Interest Rate	Series 2012		Total Principal and Interest	Premium amortization
		Principal	Interest		
2020	4.00%	\$ 1,510,000	\$ 705,036	\$ 2,215,036	\$ 97,887
2021	5.00%	1,570,000	644,636	2,214,636	97,887
2022	5.00%	1,650,000	566,136	2,216,136	97,887
2023	4.00%	1,730,000	483,636	2,213,636	97,887
2024	4.00%	1,800,000	414,436	2,214,436	97,887
2025 to 2029	3.0% to 4.5%	9,975,000	1,091,979	11,066,979	481,292
		<u>\$ 18,235,000</u>	<u>\$ 3,905,859</u>	<u>\$ 22,140,859</u>	<u>\$ 970,727</u>



**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

**Note 6. Interfund Receivables, Payables and Transfers**

The composition of the interfund balances as of June 30, 2019 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Primary government		
General fund	\$ 236,563	\$ 5,764
Grants fund	5,764	221,028
Capital construction fund	-	9,921
Maintenance fund	2,991	-
Business-type activities		
Food service fund	-	8,316
Aquatic center fund	-	289
	<u>\$ 245,318</u>	<u>\$ 245,318</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, 2019 the District had the following interfund transfers:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ -	\$ 3,127,505
Capital construction fund	2,400,000	-
Food service fund	537,505	-
Aquatic center fund	190,000	-
	<u>\$ 3,127,505</u>	<u>\$ 3,127,505</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.

# CARBON COUNTY SCHOOL DISTRICT #1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

---

### **Note 7. Pension Plan**

The District participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer public employee retirement system administered by the State of Wyoming Retirement System Board. Substantially all District full-time employees are eligible to participate.

PEPP members are required to contribute 8.50% of their annual covered salary and the District is required to contribute 8.62% of the annual covered payroll. Legislation enacted in 1979 allows the employer to pay any or all of the employees' contribution in addition to the matching contribution. The District currently pays 15.44% of the required employee's contribution and the employees pay 1.68%. As of July 1, 2019, the required employer contribution and the required employee statutory rates will increase by 0.25%, respectively. Therefore the District's contribution rate will increase to 15.69% and the employee's contribution rate will increase to 1.93%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes.

The District's contributions to the PEPP for the years ended June 30, 2019, 2018 and 2017 were \$2,277,166, \$2,282,549, and \$2,361,403, while the employees' portion was \$266,281, \$214,775, and \$221,029, respectively, equal to the required contributions for each year.

BOCHES currently pays 100% of the required employee's contribution to the PEPP. The BOCHES contributions to the PEPP for the years ended June 30, 2019, 2018 and 2017 were \$134,562, \$133,359, and \$160,548, respectively.

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

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

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

### ***Pension Plan Fiduciary Net Position***

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

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

**Note 7. Pension Plan (Continued)**

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

At June 30, 2019, the District and BOCHES reported a total liability of \$26,839,087 and \$1,398,513, respectively, for their proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2018, applied to all prior periods included in the measurement. The net pension liability for the Public Employee Plan is calculated using a discount rate of 7.00%, which is the expected rate of return on investments reduced by investment expenses. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. An experience study was conducted covering the five year period ending December 31, 2016. The net pension liability as of December 31, 2018 is based on the results of an actuarial valuation as of January 1, 2018, rolled forward to a measurement date of December 31, 2018, and taking into consideration information from the recent experience study.

The schedule below shows the District's proportionate share of the net pension liability at June 30, 2019, the proportionate portion at the measurement date of December 31, 2018, and the change in the proportion from the previous measurement date.

	Pension liability June 30, 2019	Proportion at December 31, 2018	Increase (decrease) from December 31, 2017
District			
Public Employees' Pension Plan	\$ 26,839,087	0.8813308%	(0.0074210%)
BOCHES			
Public Employees' Pension Plan	\$ 1,398,513	0.0459238%	(0.0048618%)

For the year ended June 30, 2019, the District and BOCHES recognized pension expense of \$4,657,200 and \$226,382, respectively. At June 30, 2019, the District and BOCHES reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	District	Component Unit BOCHES	District	Component Unit BOCHES
Net difference between projected and actual earnings on pension plan investments	\$ 6,486,552	\$ 347,629	\$ 2,437,778	\$ 141,666
Difference due to changes in assumptions	1,329,651	77,270	-	-
Difference between actual and expected experience	-	-	671,573	37,777
Change in employer's proportion	124,156	23,115	54,947	162,108
Amortizing deferred outflows and deferred inflows	7,940,359	448,014	3,164,298	341,551
Contributions subsequent to the measurement date	1,654,019	67,625	-	-
Total	\$ 9,594,378	\$ 515,639	\$ 3,164,298	\$ 341,551

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

**Note 7. Pension Plan (Continued)**

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

The District and BOCHES reported \$1,654,019 and \$67,625, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	District	Component Unit	District	Component Unit
		BOCHES		BOCHES
Year ended June 30,				
2020	\$ 3,061,157	\$ 192,880	\$ 1,150,159	\$ 128,796
2021	2,045,458	108,997	1,061,298	123,111
2022	1,495,115	76,496	947,201	87,946
2023	1,338,629	69,641	5,640	1,698
	<u>\$ 7,940,359</u>	<u>\$ 448,014</u>	<u>\$ 3,164,298</u>	<u>\$ 341,551</u>

***Actuarial Assumptions***

Actuarial Assumptions and Methods

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	4.75% to 8.75%, including inflation
Payroll growth rate	2.5%
Cost of living increase	0.00%
Investment net rate of return	7.00%, net pension plan investment expense
Post-Retirement Mortality	RP-2014 Health Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No back with a 100% multiplier Females: No set back with a 88% multiplier
Pre-Retirement Mortality	RP-2014 Employee Mortality Table, fully generational projected with Scale MP-2017 Males: No set back with a 100% multiplier Females: No set back with a 100% multiplier

The assumed rate of investment return was adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in the WRS actuarial valuation report as of January 1, 2018. In addition, an experience study was completed as of December 31, 2016 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 7.00% (real return net of inflation of 3.52%) falls within a reasonable range of the long-term expected rate of return.

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

**Note 7. Pension Plan (Continued)**

***Actuarial Assumptions (Continued)***

The long term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected arithmetic returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plans target asset allocation for the fiscal year 2018. These best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return	Long-Term Expected Arithmetic Real Rate of Return
Cash	0.00%	0.30%	0.03%
Fixed income	20.00%	1.50%	2.00%
Equity	49.00%	6.00%	7.40%
Marketable alternatives	19.00%	3.10%	3.50%
Private markets	12.00%	5.20%	7.00%
Total	100.00%	4.40%	5.50%

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

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

Pension Plan	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District			
Public Employees' Pension Plan	\$ 37,222,196	\$ 26,839,087	\$ 18,174,479
BOCHES			
Public Employees' Pension Plan	\$ 1,939,549	\$ 1,398,513	\$ 947,024

***Payables to the pension plan*** – At June 30, 2019 BOCHES reported \$11,125 as payable to the pension plan and the District had no amount payable to the pension plan.

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

---

**Note 7. Pension Plan (Continued)**

***Discount Rate***

The discount rate used to measure the Public Employees Plan total pension liability was 7.00 percent. Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits using a 100 year analysis) and 2) tax-exempt municipal bond rate based on an index of 20 year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees and natural disasters. During the year ended June 30, 2019 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, 2019, the District paid \$202,788 into the State Worker's Compensation System.

The District participates in the Associated School Boards Workers' Compensation Fund ("Fund"). The Fund provides coverage for the protection of the District, the board of trustees and employees. The Fund provides compensation for work-related injuries arising out of accidental bodily injury or death to persons acting within the scope of their employment. This fund covers the employees that are not covered by the State Worker's Compensation System.

The District participates in the Wyoming Educator Benefit Trust (WEBT). WEBT sets premium rates each year based on projected medical costs. The District paid \$2,803,373 in premiums to Blue Cross Blue Shield, WEBT's third party administrator. Were the District to withdraw from coverage through WEBT, the District would not be responsible for any specific liabilities nor is it entitled to any of the reserves. As a participating employer, if the trust is dissolved the District may be entitled to a residual portion of the plan reserves.

**Note 9. Transactions with Discretely Presented Component Unit**

During the fiscal year ended June 30, 2019, the District received \$295,000 from the Recreation Board to operate the swimming pool.

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2019

**Note 10. Commitments and Contingencies**

As of June 30, 2019, the District had the following outstanding contract commitments:

	Contract Amount	Completed Amount	Outstanding Amount
Central Office Mechanical Ph1	\$ 49,495	\$ 36,630	\$ 12,865
Little Snake River Bus Garage Electrical	10,000	4,616	5,384
Rawlins Elementary Mechanical and Electrical Ph2	1,523,314	729,088	794,226
Central Office Tech Recabling	12,600	13,160	(560)
Districtwide Security Cameras	910,300	670,686	239,614
Rawlins Middle School Tech Recabling	28,221	22,804	5,417
	<u>\$ 2,533,930</u>	<u>\$ 1,476,984</u>	<u>\$ 1,056,946</u>

**Note 11. Issued Standards Not Yet Implemented**

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

**Note 12. Prior Period Adjustment**

During the year ended June 30, 2019, the District determined that the amount owed to the general fund from the grants fund at June 30, 2018 was incorrect. This resulted in an understatement of the June 30, 2018 fund balance in the general fund and an overstatement of the June 30, 2018 fund balance in the grants fund in the amount of \$82,527, respectively, resulting in a prior period adjustment. The table below illustrates the assets and fund balance as originally stated, and the restated values:

	June 30, 2018	Adjustments	As Restated June 30, 2018
General fund			
Due from other funds	\$ 475,961	\$ 82,527	\$ 558,488
Fund balance	4,812,215	82,527	4,894,742
Grants fund			
Due to other funds	\$ 351,567	\$ 82,527	\$ 434,094
Fund balance	78,272	(82,527)	(4,255)

**Note 13. Subsequent Events**

The District did not have any subsequent events through November 18, 2019, the date at which the financial statements were available to be issued for events requiring recording or disclosure in the financial statements for the year ended June 30, 2019.

*This page is intentionally left blank*



**REQUIRED SUPPLEMENTARY INFORMATION**

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 GENERAL FUND (UNAUDITED)  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local sources	\$ 15,550,095	\$ 15,550,095	\$ 16,389,843	\$ 839,748
County sources	3,472,404	3,472,404	3,808,552	336,148
State sources	7,880,208	7,880,208	9,866,454	1,986,246
Other sources	19,200	19,200	204,661	185,461
<b>Total revenues</b>	<u>26,921,907</u>	<u>26,921,907</u>	<u>30,269,510</u>	<u>3,347,603</u>
<b>Expenses</b>				
Instruction	15,722,071	15,022,071	14,428,300	593,771
Instructional support	2,371,968	2,171,968	1,932,863	239,105
Support services - general support	10,930,688	11,060,688	10,484,793	575,895
Facilities acquisition and construction	728,000	128,000	-	128,000
<b>Total expenditures</b>	<u>29,752,727</u>	<u>28,382,727</u>	<u>26,845,956</u>	<u>1,536,771</u>
<b>Excess (deficiency) of     revenues over expenditures</b>	<u>(2,830,820)</u>	<u>(1,460,820)</u>	<u>3,423,554</u>	<u>4,884,374</u>
<b>Other financing sources (uses)</b>				
Interest expense	(70,000)	(70,000)	-	70,000
Proceeds from the sale of capital assets	183,300	183,300	16,281	(167,019)
Transfers out	(1,065,000)	(2,695,000)	(3,127,505)	(432,505)
<b>Total other financing     sources (uses)</b>	<u>(951,700)</u>	<u>(2,581,700)</u>	<u>(3,111,224)</u>	<u>(529,524)</u>
<b>Net change in fund balance</b>	<u>(3,782,520)</u>	<u>(4,042,520)</u>	<u>312,330</u>	<u>\$ 4,354,850</u>
<b>Fund balance - beginning of year</b>	<u>4,617,343</u>	<u>4,617,343</u>	<u>4,617,343</u>	
<b>Fund balance - end of year</b>	<u>\$ 834,823</u>	<u>\$ 574,823</u>	<u>\$ 4,929,673</u>	

See accompanying notes to required supplementary information

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 GRANTS FUND (UNAUDITED)  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Federal sources	\$ 3,061,004	\$ 3,061,004	\$ 1,836,953	\$ (1,224,051)
State sources	700,000	700,000	7,000	(693,000)
Local sources	150,000	150,000	178,842	28,842
Investment earnings	-	-	272	272
Total revenues	<u>3,911,004</u>	<u>3,911,004</u>	<u>2,023,067</u>	<u>(1,887,937)</u>
<b>Expenditures</b>				
Instruction	2,725,605	2,725,605	1,406,511	1,319,094
Instructional support	500,000	500,000	323,237	176,763
Support services	450,000	450,000	132,832	317,168
Total expenditures	<u>3,675,605</u>	<u>3,675,605</u>	<u>1,862,580</u>	<u>1,813,025</u>
Excess of revenues over expenditures	<u>235,399</u>	<u>235,399</u>	<u>160,487</u>	<u>(74,912)</u>
Net change in fund balance	<u>235,399</u>	<u>235,399</u>	<u>160,487</u>	<u>\$ (74,912)</u>
Fund balance (deficit) - beginning of year	<u>(285,801)</u>	<u>(285,801)</u>	<u>(285,801)</u>	
Fund balance (deficit) - end of year	<u>\$ (50,402)</u>	<u>\$ (50,402)</u>	<u>\$ (125,314)</u>	

See accompanying notes to required supplementary information

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

MAJOR MAINTENANCE FUND (UNAUDITED)

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,156,034	\$ 1,156,034	\$ 1,540,391	\$ 384,357
Interest	7,000	7,000	37,240	30,240
Total revenues	<u>1,163,034</u>	<u>1,163,034</u>	<u>1,577,631</u>	<u>414,597</u>
Expenditures				
Capital outlay	2,125,011	2,125,011	790,602	1,334,409
Total expenditures	<u>2,125,011</u>	<u>2,125,011</u>	<u>790,602</u>	<u>1,334,409</u>
Net change in fund balance	(961,977)	(961,977)	787,029	<u>\$ 1,749,006</u>
Fund balance - beginning of year	<u>961,977</u>	<u>961,977</u>	<u>961,977</u>	
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,749,006</u>	

See accompanying notes to required supplementary information

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Last 10 fiscal years\*\*  
(Unaudited)

	2019	2018	2017
<b>Public Employees' Pension Plan - District</b>			
Proportion of the net pension liability (asset)	0.881330800%	0.873909800%	0.878644000%
Proportionate share of the net pension liability (asset)	\$ 26,839,087	\$ 19,919,380	\$ 21,241,221
Covered payroll	\$ 15,347,095	\$ 15,523,938	\$ 15,665,390
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	174.88%	128.31%	135.59%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%
<b>Public Employees' Pension Plan - BOCHES</b>			
Proportion of the net pension liability (asset)	0.045923800%	0.050785600%	0.058371000%
Proportionate share of the net pension liability (asset)	\$ 1,398,513	\$ 1,157,578	\$ 1,411,120
Covered payroll	\$ 799,696	\$ 902,144	\$ 1,040,700
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	174.88%	128.31%	135.59%
Plan fiduciary net position as a percentage of the total pension liability	69.17%	76.35%	73.42%

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

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

2016	2015	2014	2013	2012	2011	2010
0.879573764%	0.920754768%	*	*	*	*	*
\$ 20,488,333	\$ 16,248,488	*	*	*	*	*
\$ 15,340,416	\$ 15,739,497	*	*	*	*	*
133.56%	103.23%	*	*	*	*	*
73.40%	79.08%	*	*	*	*	*
0.052624645%	0.055306551%	*	*	*	*	*
\$ 1,225,812	\$ 975,991	*	*	*	*	*
\$ 917,813	\$ 945,417	*	*	*	*	*
133.56%	103.23%	*	*	*	*	*
73.40%	79.08%	*	*	*	*	*

## CARBON COUNTY SCHOOL DISTRICT #1

### SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years  
(Unaudited)

	2019	2018	2017
<b>Public Employees' Pension Plan - District</b>			
Contractually required contribution	\$ 2,543,447	\$ 2,497,324	\$ 2,582,432
Contributions in relations to the contractually required contributions	(2,543,447)	(2,497,324)	(2,582,432)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 14,856,583	\$ 15,026,017	\$ 15,538,099
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%
<b>Public Employees' Pension Plan - BOCHES</b>			
Contractually required contribution	\$ 134,562	\$ 133,359	\$ 160,548
Contributions in relations to the contractually required contributions	(134,562)	(133,359)	(160,548)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 785,993	\$ 802,401	\$ 965,993
Contributions as a percentage of covered payroll	17.12%	16.62%	16.62%

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



2016	2015	2014	2013	2012	2011	2010
\$ 2,631,898	\$ 2,515,461	*	*	*	*	*
(2,631,898)	(2,515,461)	*	*	*	*	*
\$ -	\$ -	*	*	*	*	*
\$ 15,835,728	\$ 15,850,416	*	*	*	*	*
16.62%	15.87%	*	*	*	*	*
\$ 170,684	\$ 162,501	*	*	*	*	*
(170,684)	(162,501)	*	*	*	*	*
\$ -	\$ -	*	*	*	*	*
\$ 1,026,980	\$ 1,023,951	*	*	*	*	*
16.62%	15.87%	*	*	*	*	*

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2019

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

	General Fund	Grants Fund	Major Maintenance Fund
	<u>          </u>	<u>          </u>	<u>          </u>
Revenues			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 30,269,510	\$ 2,023,067	\$ 1,577,631
Differences - Budget Basis to GAAP			
Accrual of property taxes receivable	(135,351)	-	-
Intergovernmental revenue	229,005	(88,904)	-
Investment income	173	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 30,363,337</u>	<u>\$ 1,934,163</u>	<u>\$ 1,577,631</u>
Expenditures			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 26,845,956	\$ 1,862,580	\$ 790,602
Differences - Budget Basis to GAAP			
Prepaid items	15,487	(21,936)	-
Inventory	(13,025)	-	-
Accrual of accounts payable	(160,917)	(6,203)	496,138
Accrual of salaries payable	29,057	11,831	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 26,716,558</u>	<u>\$ 1,846,272</u>	<u>\$ 1,286,740</u>

**Note 2. Budgeting**

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

The District amended the general fund budget during the year. The amendments decreased the expenditure budget for instruction by \$700,000, decreased the expenditures budget for instructional support by \$200,000, decreased the expenditure budget for support services – general support by \$130,000, decreased the expenditure budget for facility construction by \$600,000 and increased budgeted transfers out by \$1,630,000.

**CARBON COUNTY SCHOOL DISTRICT #1**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2019

---

**Note 3. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2019, the general fund expenditures for transfers to other funds exceeded appropriations by \$432,505. This is a violation of Wyoming Statute §16-4-108.

**Note 4. Explanation of Changes to the Pension Plan**

*Changes of assumptions* – There have been no changes of assumptions in the Public Employees’ Pension Plan from January 1, 2017 to January 1, 2018.

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

**OTHER SUPPLEMENTARY INFORMATION**

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

CAPITAL CONSTRUCTION FUND - CAPITAL PROJECTS - ACTIVITY

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ 395,938	\$ (4,604,062)
Total revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>395,938</u>	<u>(4,604,062)</u>
Expenditures				
Capital outlay	<u>5,325,954</u>	<u>5,325,954</u>	<u>289,040</u>	<u>5,036,914</u>
Total expenditures	<u>5,325,954</u>	<u>5,325,954</u>	<u>289,040</u>	<u>5,036,914</u>
Net change in fund balance	(325,954)	(325,954)	106,898	<u>\$ 432,852</u>
Fund balance - beginning of year	<u>325,954</u>	<u>325,954</u>	<u>325,954</u>	
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 432,852</u>	

***Note to the budgetary presentation***

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

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

CAPITAL CONSTRUCTION FUND - DEPRECIATION RESERVE - ACTIVITY

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 6,000	\$ 6,000	\$ 30,063	\$ 24,063
Other sources	-	-	4,848	4,848
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>34,911</u>	<u>28,911</u>
Expenditures				
Capital outlay	2,496,845	2,496,845	185,213	2,311,632
Total expenditures	<u>2,496,845</u>	<u>2,496,845</u>	<u>185,213</u>	<u>2,311,632</u>
Excess (deficiency) of revenues over expenditures	<u>(2,490,845)</u>	<u>(2,490,845)</u>	<u>(150,302)</u>	<u>2,340,543</u>
Other financing sources				
Transfers in	500,000	500,000	2,400,000	1,900,000
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>2,400,000</u>	<u>1,900,000</u>
Net change in fund balance	(1,990,845)	(1,990,845)	2,249,698	<u>\$ 4,240,543</u>
Fund balance - beginning of year	<u>1,990,845</u>	<u>1,990,845</u>	<u>1,990,845</u>	
Fund balance (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,240,543</u>	

***Note to the budgetary presentation***

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



**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

CAPITAL CONSTRUCTION FUND - BOND CONSTRUCTION - ACTIVITY

Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment				
income	\$ 20,000	\$ 20,000	\$ 192	\$ (19,808)
Miscellaneous	15,000	15,000	-	(15,000)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>192</u>	<u>(34,808)</u>
Expenditures				
Capital outlay	69,316	69,316	34,508	34,808
Total expenditures	<u>69,316</u>	<u>69,316</u>	<u>34,508</u>	<u>34,808</u>
Net change in fund balance	(34,316)	(34,316)	(34,316)	<u>\$ -</u>
Fund balance - beginning of year	<u>34,316</u>	<u>34,316</u>	<u>34,316</u>	
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

***Note to the budgetary presentation***

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

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (BUDGETARY BASIS)  
 CAPITAL CONSTRUCTION FUND - REPAIR & MAINTENANCE BOND RESERVE - ACTIVITY  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment				
income	\$ 16,000	\$ 16,000	\$ 18,823	\$ 2,823
Total revenues	16,000	16,000	18,823	2,823
Expenditures				
Operations and maintenance	100,000	100,000	15,209	84,791
Total expenditures	100,000	100,000	15,209	84,791
Excess of revenues over expenditures	(84,000)	(84,000)	3,614	(87,614)
Net change in fund balance	(84,000)	(84,000)	3,614	\$ 87,614
Fund balance - beginning of year	868,109	868,109	868,109	
Fund balance - end of year	\$ 784,109	\$ 784,109	\$ 871,723	

***Note to the budgetary presentation***

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

**SINGLE AUDIT SECTION**

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass - Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
Passed through Wyoming Department of Education				
<i>Child Nutrition Cluster</i>				
School Breakfast Program	10.553		-	\$ 68,657
National School Lunch Program	10.555	183WY312N1099/	-	244,964
National School Lunch Program - USDA		193WY312N1099		
Commodities	10.555		-	30,239
Summer Food Service Program for Children	10.559	193WY312N1099	-	17,594
Total Child Nutrition Cluster				<u>361,454</u>
Total U.S. Department of Agriculture				<u>361,454</u>
U.S. Department of Education				
Passed Through Wyoming Department of Education				
Title I Grants to Local Educational Agencies	84.010A	1804018T1A00	-	168,674
Title I Grants to Local Educational Agencies	84.010A	19041TIPA1800	-	512,090
Title I Grants to Local Educational Agencies	84.010A	180401183A100	-	61,293
Title I Grants to Local Educational Agencies	84.010A	1904011003SUBR1800	-	12,175
Total Title I Grants to Local Educational Agencies				<u>754,232</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027A	1804018T6100	-	89,775
Special Education - Grants to States	84.027A	190401SPED6111800	-	433,218
				<u>522,993</u>
Special Education - Preschool Grants	84.173A	1804018T6900	-	3,242
				<u>3,242</u>
Total Special Education Cluster (IDEA)				<u>526,235</u>
Career and Technical Education - Basic Grants to States	84.048A	190401PERKSR18S00	-	38,695
Total Career and Technical Education - Basic Grants to States				<u>38,695</u>
English Language Acquisition State Grants	84.365A	1804018T3E00	-	13,015
English Language Acquisition State Grants	84.365A	18040118T3100	-	113
Total English Language Acquisition State Grants				<u>13,128</u>
Supporting Effective Instruction State Grant	84.367A	1804018T2A00	-	190,274
Supporting Effective Instruction State Grant	84.367A	190401T2PA1800	-	28,682
Total Supporting Effective Instruction State Grant				<u>218,956</u>
Student Support and Academic Enrichment Program	84.424A	18040118T4A00		11,947
Total Student Support and Academic Enrichment				<u>11,947</u>
Total U.S. Department of Education				<u>1,563,193</u>
Total Expenditures of Federal Awards				<u>\$ 1,924,647</u>

See notes to the schedule of expenditures of federal awards

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

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

June 30, 2019

---

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards, (“the Schedule”) includes the federal award activity of Carbon County School District #1 under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Carbon County School District #1, it is not intended to and does not present the financial position, change in net assets, or cash flows of Carbon County School District #1.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditure are not allowable or are limited as to reimbursement. Food commodities are reported when distributed. Negative amounts shown on the Schedule represent adjustment or credit made in the normal course of business to amounts reported as expenditures in prior years.

**Note 3. Indirect Cost Rate**

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

*This page is intentionally left blank*



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements, and have issued our report thereon dated November 18, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Carbon County School District #1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carbon County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County School District #1's internal control.

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

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



**MAIL:** PO Box 2750  
Casper, WY 82602-2750



**PHONE:** (307) 265-4311  
**FAX:** (307) 265-5180

64

**PMCH.COM**   



**LOCATION:** 600 East 1<sup>st</sup> Street  
Casper, WY 82601

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Carbon County School District #1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming  
November 18, 2019

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

INDEPENDENT AUDITOR'S REPORT

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

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

We have audited Carbon County School District #1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Carbon County School District #1's major federal programs for the year ended June 30, 2019. Carbon County School District #1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Carbon County School District #1's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Carbon County School District #1's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for the major federal programs. However, our audit does not provide a legal determination of Carbon County School District #1's compliance.



**MAIL:** PO Box 2750  
Casper, WY 82602-2750



**PHONE:** (307) 265-4311  
**FAX:** (307) 265-5180

66

**PMCH.COM**   



**LOCATION:** 600 East 1<sup>st</sup> Street  
Casper, WY 82601

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

As described in the accompanying schedule of findings and questioned costs, Carbon County School District #1 did not comply with requirements regarding CFDA 84.010 – Title I Grants to Local Education Agencies as described in finding number 2019-001 for Eligibility. Compliance with such requirement is necessary, in our opinion, for Carbon County School District #1 to comply with the requirements applicable to that program.

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Carbon County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.010 – Title I Grants to Local Education Agencies for the year ended June 30, 2019.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, Carbon County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect its other major federal program identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2019.

***Other Matters***

Carbon County School District #1’s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Carbon County School District #1’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of Carbon County School District #1 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Carbon County School District #1’s internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Carbon County School District #1’s internal control over compliance.

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

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

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming  
November 18, 2019

*This page is intentionally left blank*

**CARBON COUNTY SCHOOL DISTRICT #1**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2019

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

***Financial Statements***

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

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

***Federal Awards***

Internal control over major federal programs:

Material weaknesses identified? Yes

Significant deficiencies identified? Yes

Type of auditor’s report issued on compliance for major federal programs: Unmodified for Child Nutrition Cluster  
Qualified for Title I Grants to Local Educational Agencies

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Child Nutrition Cluster
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program - USDA Commodities
10.559	Summer Food Service Program for Children
84.010A	Title I Grants to Local Educational Agencies

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

Auditee qualified as low-risk auditee? No

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
Year Ended June 30, 2019

---

**SECTION II – FINANCIAL STATEMENT FINDINGS**

---

*None reported.*

---

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

---

**2019-001**

**Material Weakness in Internal Control**

**Material Noncompliance**

U. S. Department of Education

Passed through the State of Wyoming Department of Education

84.010A – Title I Grants to Local Education Agencies  
Pass Through Entity Identifying Number: 1804018T1A00  
Grant year: 2017-2018

***Criteria or specific requirement***

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

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

***Condition***

The District was unable to provide documentation to support the number of children eligible for free and reduced priced lunches for the 2017-2018 grant. This was due to an inadequate system for archiving the applications after the determination of eligibility was completed in the prior fiscal years. For the grant under audit, the District used eligibility counts as of 6/30/2017 for the determination of the school attendance areas eligible to participate.

***Cause***

During fiscal year 2017, the food service personnel did not have a procedure in place to maintain the documentation of the eligibility determination and to demonstrate that the eligibility requirement was met. The food service director who was hired during fiscal year 2018 implemented an effective filing system for free/reduced applications starting in fiscal year 2018. However, the applications that were subject to testing for the eligibility determination were obtained during the prior fiscal years before the new system was implemented.

***Effect or potential effect***

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

***Questioned Costs***

None



**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
Year Ended June 30, 2019

---

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

---

**2019-001 (Continued)**

*Context*

Members of the District’s management have indicated that applications or direct certifications were obtained from all children qualifying for a free or reduced price lunch in the previous years. However, documentation supporting the qualifying children was not maintained for all of the children. During the audit, 40 student applications were selected for testing. The applications for 7 of the students were not available. The applications for the other 33 students were available. When testing these 33 applications, it was determined that the internal controls were operating and the appropriate determination of eligibility was made.

*Identification of a Repeat Finding*

This is a repeat finding from the June 30, 2018 audit, 2018-003.

*Recommendation*

None required. The District reviewed the eligibility requirements and established control policies and procedures that ensured compliance starting in fiscal year 2018.

*Views of Responsible Officials*

The District has reviewed the eligibility requirements and established control procedures accordingly. Please refer to the District’s corrective action plan.

**CARBON COUNTY SCHOOL DISTRICT #1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
Year Ended June 30, 2019

---

**2019-002**

**Significant Deficiency in Internal Control**

U. S. Department of Agriculture

Passed through the State of Wyoming Department of Education

Child Nutrition Cluster

10.553 School Breakfast Program

10.555 National School Lunch Program

10.555 National School Lunch Program - USDA Commodities

10.559 Summer Food Service Program for Children

Pass Through Entity Identifying Numbers: 183WY312N1099/193WY312N1099

***Criteria or specific requirement***

To receive reimbursement payments for meals the District must submit claims for reimbursement to the Wyoming Department of Education.

***Condition***

The number of meals contained on the claims for reimbursement could have been incorrectly reported.

***Cause***

The claims for reimbursement were submitted without a review by another member of management for the month of July 2018 through December 2018.

***Effect or potential effect***

The District could have potentially been reimbursed inaccurately for free, reduced and paid meals.

***Questioned Costs***

None

***Context***

During the audit, 8 out of 12 monthly claims for reimbursement were selected for testing. The number of meals served were correctly reported on the reports. However, the reports for the period from July 2018 to December 2018 were not reviewed for accuracy by another member of management.

***Identification of a Repeat Finding***

This is a repeat finding from the June 30, 2018 audit, 2018-004.

***Recommendation***

We recommended the claims for reimbursement are reviewed for accuracy by a member of management before being submitted to the Wyoming Department of Education. This procedure was implemented starting in January 2019.

***Views of Responsible Officials***

The District has implemented a process to review the claims for reimbursement. Please refer to the District's corrective action plan.

# Carbon County School District One

---

INSPIRING EXCELLENCE –EVERY CHILD, EVERYDAY

615 Rodeo St.  
Rawlins, WY 82301



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

---

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

---

**Finding: 2018-001**

*Status*

This matter has been corrected. The District hired a Business Manager that possesses the required skill, knowledge and experience to oversee the preparation of the financial statements.

**Finding: 2018-002**

*Status*

This matter has been corrected. The District was able to obtain adequate training for the staff responsible for the capital asset schedules and the Business Manager provided an adequate review of the capital asset database for accuracy.

**Finding: 2018-003**

*Status*

This matter has been corrected. The food service director that was hired during fiscal year 2018 implemented an effective filing system for free/reduced applications starting in fiscal year 2018.

**Finding: 2018-004**

This matter has been corrected starting in January 2019. The District implemented a process to review the claims for reimbursement. Please refer to the District's corrective action plan.

# Carbon County School District One

INSPIRING EXCELLENCE –EVERY CHILD, EVERYDAY

---

615 Rodeo St.  
Rawlins, WY 82301



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

---

## Corrective Action Plan

### Finding 2019-001

*Name of Contact Person* – Tamera Ratcliff, Food Service Director

#### *Corrective Action*

The Food Service Director developed an effective filing system for free/reduced applications starting in fiscal year 2018. The Food Service Director has assigned a determining official, the school secretaries, for applications and the Food Service Director is the verifying official for all applications. Once completed, all application are scanned and stored by student name on District servers for ease of access.

*Proposed Completion Date* – The Food Service Director has implemented the above procedures.

### Finding 2019-002

*Name of Contact Person* – Brian Bartz, Business Manager

#### *Corrective Action*

Starting in January 2019, the Food Service Director provided the claims for reimbursement with supporting meal counts to the Business Office for review before the claims are submitted for reimbursement.

*Proposed Completion Date* – The Food Service Director has implemented the above procedures.