

Carbon County School District #1

**FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2018**



CARBON COUNTY SCHOOL DISTRICT #1

FINANCIAL AND COMPLIANCE REPORT

JUNE 30, 2018

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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**

December 14, 2018

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

Wyoming Uniform Municipal Fiscal Procedures Act requires annual audits of school districts. The act states in W.S. 16-4-121 that “school audits shall be completed by November 15 following the end of the fiscal year.” The act also states in W.S. 16-4-122 that “audits shall be filed with the state Department of Education on or before December 15 following the end of the audited fiscal year.” Pursuant to this requirement, the Annual Financial Report of Carbon County School District No. 1 (the District) for the fiscal year ended June 30, 2018 is hereby submitted.

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

Porter, Muirhead, Cornia & Howard, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the District’s financial statements for the year ended June 30, 2018. The independent auditor’s report is located at the front of the financial section of this report. The independent audit of the District’s financial statements was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Grant Compliance Section of this report.

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

DISTRICT PROFILE

Carbon County School District No. 1 was formed January 1, 1875. The District boundary includes a major part of Carbon County and a small area of Sweetwater County. Today the District is responsible for educating approximately 1753 children in four different communities Rawlins, Baggs, Sinclair and Bairoil. School configuration is different in each community. Rawlins has one K-1 elementary school, one 2-5 elementary school, one 6-8 middle school, one 9-12 alternative high school and one 9-12 high school. Baggs has one K-12 school facility.

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

ECONOMIC CONDITION

Wyoming is the tenth largest state in the U.S. with 97,813 square miles. This provides Wyoming with an abundance of natural resources. In 2015 Wyoming was the nation's leading producer of coal and ranks highest in mining employment. Natural gas production was fifth in the nation and crude oil was eighth in the nation. Wyoming also possesses the largest known reserve of trona in the world and is number one in production in the nation. With Wyoming's abundant source of wind, power generation from wind turbines is also becoming a huge industry. The royalties from all the minerals and energy production has produced a dedicated funding source for schools. With our small statewide population of 585,501 and 94,002 students (2016-2017), the assessment and royalties from minerals and energy production provide an excellent funding source for schools and keeps the property tax on homes, agriculture, commercial and industrial land at a very affordable rate for citizens of Wyoming.

Carbon County has 7897.6 square miles, this is approximately eight percent of Wyoming. Agriculture and the Energy Industry continue to be major industries in Carbon County. There are more than 200 operating wind turbines with over 140 megawatts of capacity. There are substantial new wind turbine generation facilities proposed and in permitting in Carbon County. The Chokecherry and Sierra Madre Wind Energy Project is one of the world's largest proposed wind power plants with up to 1,000 turbines to be located south of Rawlins. Both projects are currently in beginning stages of infrastructure construction. Many large gas and oil companies have operations in Carbon County.

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

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

STATE SCHOOL FUNDING

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

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

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

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

Carbon County School District No. 1 is an entitlement district.

LONG-TERM FINANCIAL PLANNING

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

COMPONENT UNITS

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

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

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

ACKNOWLEDGEMENTS

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

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

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

Respectfully submitted,

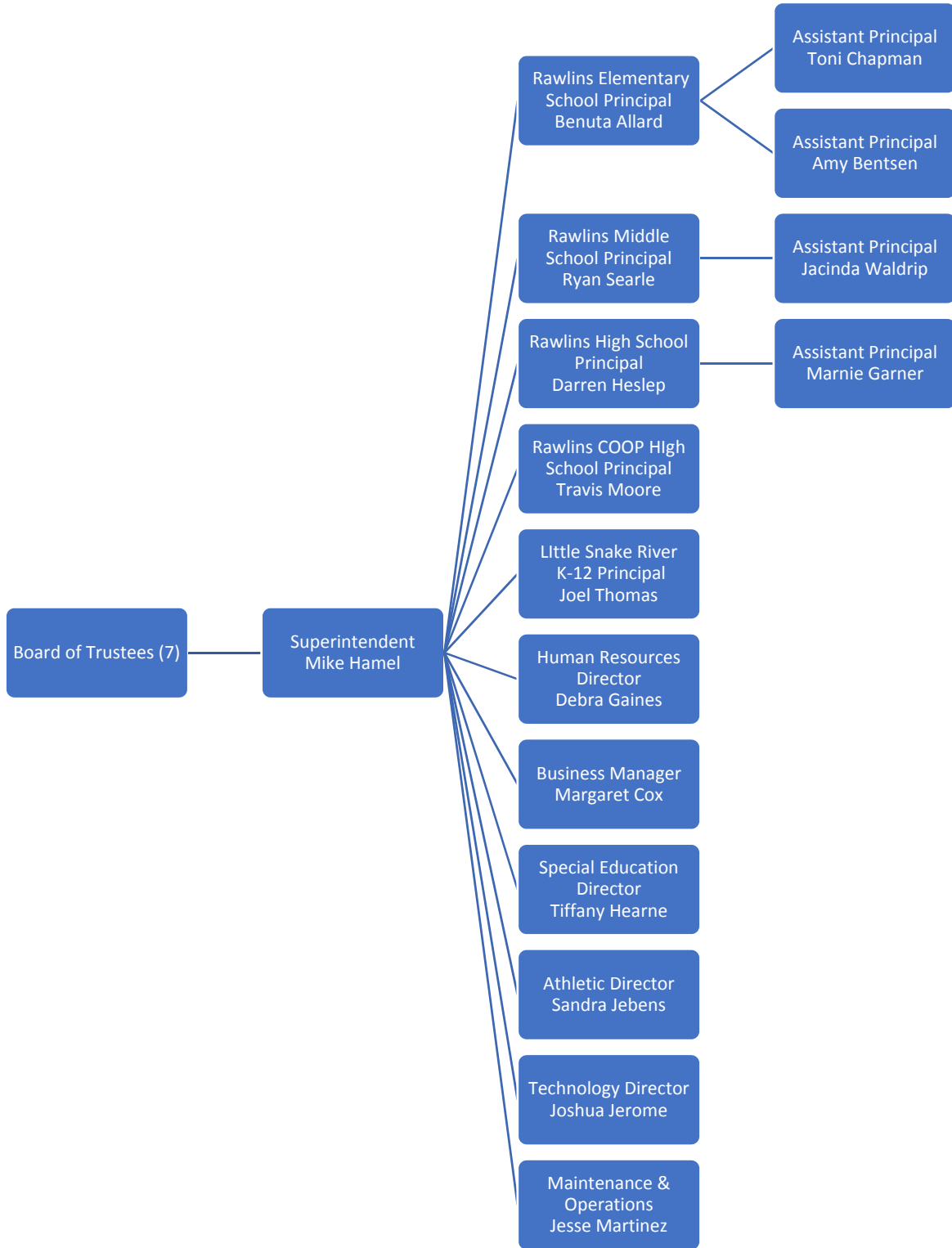


Mike Hamel
Superintendent

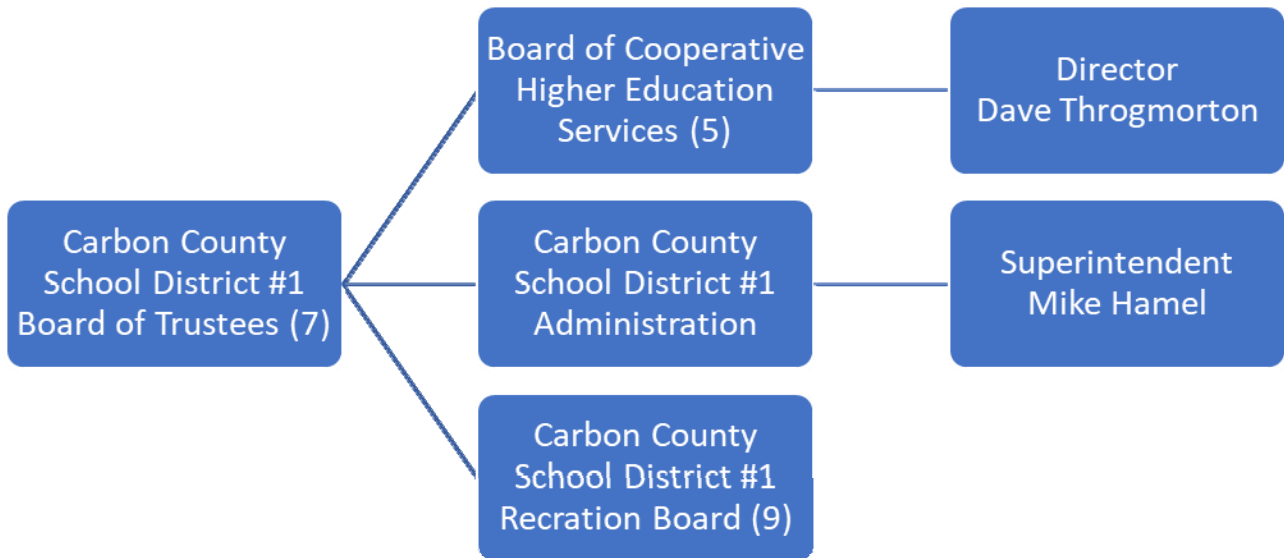


Margaret Quintrall
Interim Business Manager

**CARBON COUNTY SCHOOL DISTRICT #1
ADMINISTRATIVE ORGANIZATIONAL CHART 2018**



**CARBON COUNTY SCHOOL DISTRICT #1 AND COMPONENT UNITS
ORGANIZATIONAL CHART 2018**



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

Administrative Office

615 Rodeo
Rawlins, WY 82301

Mike Hamel
Margaret Cox
Margaret Quintrall

Superintendent
Business Manager
Asst. Business Manager

BOARD OF TRUSTEES AS OF JUNE 30, 2018

	<u>Term Expires</u>
Mr. Michael Mann, Chair 2420 Inverness Rawlins, WY 82301	December 2018
Mr. Gilbert Archuleta, Vice Chair 194 LaPaloma Rawlins, WY 82301	December 2018
Ms. Denise Pfeffer, Treasurer 721 Scarlet Drive Rawlins, WY 82301	December 2020
Mr. Trent Arnell P.O. Box 83 Baggs, WY 82321	December 2020
Mr. Jeffrey Mendoza 1215 Lambda Drive Rawlins, WY 82301	December 2020
Ms. Holley Nicholson, Clerk 1307 Perrine Street Rawlins, WY 82301	December 2018
Mr. R. Matt Feldman P.O. Box 74 Dixon, WY 82323	December 2020
Legal Counsel Overstreet, Homer & Kuker, LLP 508 East 18th Street Cheyenne, WY 82001	Bond Counsel Freudenthal & Bonds, P.C. 129 E Carlson St. P.O. Box 387 Cheyenne, WY 82003

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

Administrative Office

1650 Harshman
Rawlins, WY 82301

David Throgmorton
Shelly Collier

Director
Accounting Specialist

BOARD OF COOPERATIVE HIGHER EDUCATION SERVICES

Mr. Gilbert Archuleta, Chair
Rawlins, WY

Carbon County School District #1

Mr. R. Matt Feldman, Vice Chair
Dixon, WY

Carbon County School District #1

Mr. Trent Arnell, Treasurer
Rawlins, WY

Carbon County School District #1

Mr. Mike Mann, Clerk
Rawlins, WY

Carbon County School District #1

Mr. George Eckman
Green River, WY

Western Wyoming Community College

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

Mailing Address

P.O. Box 1804
Rawlins, WY 82301

Board of Directors June 2018

Mr. Mike Mann
Rawlins, WY

School Board Appointed

Ms. Holley Nicholson
Rawlins, WY

School Board Appointed

Mr. Jeff Mendoza
Rawlins, WY

School Board Appointed

Term Expires

Mr. Don Brinkman
Rawlins, WY

2020

Ms. Jodi Stanley, Vice Chair
Baggs, WY

2020

Ms. Patricia Hays
Rawlins, WY

2018

Ms. Janell Thayer-Steele
Rawlins, WY

2018

Ms. Charlene Abbott, Chair
Rawlins, WY

2018

Ms. Hannah Owen
Baggs, WY

2020

Jann Houge
Rawlins, WY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2018, 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.



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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, 2018, 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*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018 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
December 14, 2018

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CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(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, 2018. 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 \$93,683,783 at June 30, 2018 which compares to \$92,742,617 at the beginning of the fiscal year, an increase of 1 percent.

During the year, the District’s total governmental activities expenses were \$1,125,992 less than the \$35,185,038 generated in taxes and other revenues for governmental activities.

The District had \$33,359,046 in expenses related to governmental activities; of which \$6,216,239 of these expenses were offset by program specific charges for services or grants and contributions.

The District decreased its outstanding long-term debt by \$1,948,202, excluding the net pension liability. The outstanding long-term debt includes \$20,753,614 in bonds for construction that is payable over 15 years, \$418,016 in accrued compensated absences, \$28,880 in construction retainage payable and \$593,088 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 \$19,919,380. 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, 2018

(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.

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

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

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

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

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

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

Other information.

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

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(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, 2018:

Condensed Statements of Net Position

	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
	Governmental Activities		Business-Type Activities		Total	
Current and other assets	\$ 32,766,767	\$ 34,910,873	\$ 326,558	\$ 198,155	\$ 33,093,325	\$ 35,109,028
Capital assets	117,950,402	118,649,682	-	-	117,950,402	118,649,682
Total assets	<u>150,717,169</u>	<u>153,560,555</u>	<u>326,558</u>	<u>198,155</u>	<u>151,043,727</u>	<u>153,758,710</u>
Deferred outflow of resources	5,420,586	5,922,425	128,343	155,022	5,548,929	6,077,447
Current liabilities	2,352,360	1,104,196	19,799	33,888	2,372,159	1,138,084
Noncurrent liabilities	23,734,992	21,783,609	-	-	23,734,992	21,783,609
Net pension liability	20,869,873	19,594,521	371,348	324,859	21,241,221	19,919,380
Total liabilities	<u>46,957,225</u>	<u>42,482,326</u>	<u>391,147</u>	<u>358,747</u>	<u>47,348,372</u>	<u>42,841,073</u>
Deferred inflows of resources	16,481,068	23,175,200	20,599	136,101	16,501,667	23,311,301
Net investment in capital assets	96,384,010	99,245,142	-	-	96,384,010	99,245,142
Restricted	-					
Wyoming Statute	4,208,743	5,245,750	-	-	4,208,743	5,245,750
Donors	33,460	78,272	-	-	33,460	78,272
Unrestricted	(7,926,751)	(10,743,710)	43,155	(141,671)	(7,883,596)	(10,885,381)
Total net position	<u>\$ 92,699,462</u>	<u>\$ 93,825,454</u>	<u>\$ 43,155</u>	<u>\$ (141,671)</u>	<u>\$ 92,742,617</u>	<u>\$ 93,683,783</u>

The net investment in capital assets is \$99,245,142, 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 \$18,160,604. 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 \$19,919,380 results in a negative unrestricted net position of \$10,858,381. Without the pension liability there is a balance of unrestricted net position of \$9,033,999 that may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant operational resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

For governmental activities, the District's total net position increased by \$1,125,992 during the year ended June 30, 2018. The total cost of all governmental activities this year was \$33,359,046 and of the business-type activity was \$1,438,960. The amount that taxpayers paid for these activities through property taxes was \$13,332,481.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

(Unaudited)

Changes in Net Position

	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
	Governmental-Type Activities		Business-Type Activities		Total	
Revenues						
Program revenues						
Charges for services	\$ 146,181	\$ 116,135	\$ 263,975	\$ 290,531	\$ 410,156	\$ 406,666
Operating grants and contributions	2,668,218	1,661,055	635,368	545,425	3,303,586	2,206,480
Capital grants	18,730,038	4,439,049	-	-	18,730,038	4,439,049
General revenues						
Taxes	18,611,988	13,332,481	-	-	18,611,988	13,332,481
Investments	45,046	69,429	190	410	45,236	69,839
Gain (loss) on disposal of capital assets	195,645	(1,538,935)	-	-	195,645	(1,538,935)
Other state and local aid	10,874,108	16,953,210	-	-	10,874,108	16,953,210
Miscellaneous	78,896	152,614	5,221	17,768	84,117	170,382
Total revenues	51,350,120	35,185,038	904,754	854,134	52,254,874	36,039,172
Expenses						
Regular instruction	13,139,104	11,742,914	-	-	13,139,104	11,742,914
Special ed instruction	4,008,374	4,379,586	-	-	4,008,374	4,379,586
Vocational education	17,386	326,527	-	-	17,386	326,527
Pupil services	2,088,732	2,043,651	-	-	2,088,732	2,043,651
Instructional staff services	503,464	873,851	-	-	503,464	873,851
General admin services	1,043,841	276,742	-	-	1,043,841	276,742
School admin services	1,617,829	1,710,575	-	-	1,617,829	1,710,575
Business services	724,144	688,498	-	-	724,144	688,498
O&M of plant services	5,583,858	6,312,307	-	-	5,583,858	6,312,307
Pupil transportation	1,785,328	2,053,236	-	-	1,785,328	2,053,236
Central services	4,920,546	1,973,944	-	-	4,920,546	1,973,944
Other support services	195,120	213,800	-	-	195,120	213,800
Interest on long-term debt	834,541	763,415	-	-	834,541	763,415
Food service fund	-	-	975,621	966,114	975,621	966,114
Aquatic center fund	-	-	382,883	472,846	382,883	472,846
Total expenses	36,462,267	33,359,046	1,358,504	1,438,960	37,820,771	34,798,006
Excess (deficiency) of revenues over expenditures	14,887,853	1,825,992	(453,750)	(584,826)	14,434,103	1,241,166
Payments to Recreation Board	-	(300,000)	-	-	-	(300,000)
Transfers	(600,000)	(400,000)	600,000	400,000	-	-
Change in net position	14,287,853	1,125,992	146,250	(184,826)	14,434,103	941,166
Beginning net position	78,411,609	92,699,462	(103,095)	43,155	78,308,514	92,742,617
Ending net position	\$ 92,699,462	\$ 93,825,454	\$ 43,155	\$ (141,671)	\$ 92,742,617	\$ 93,683,783

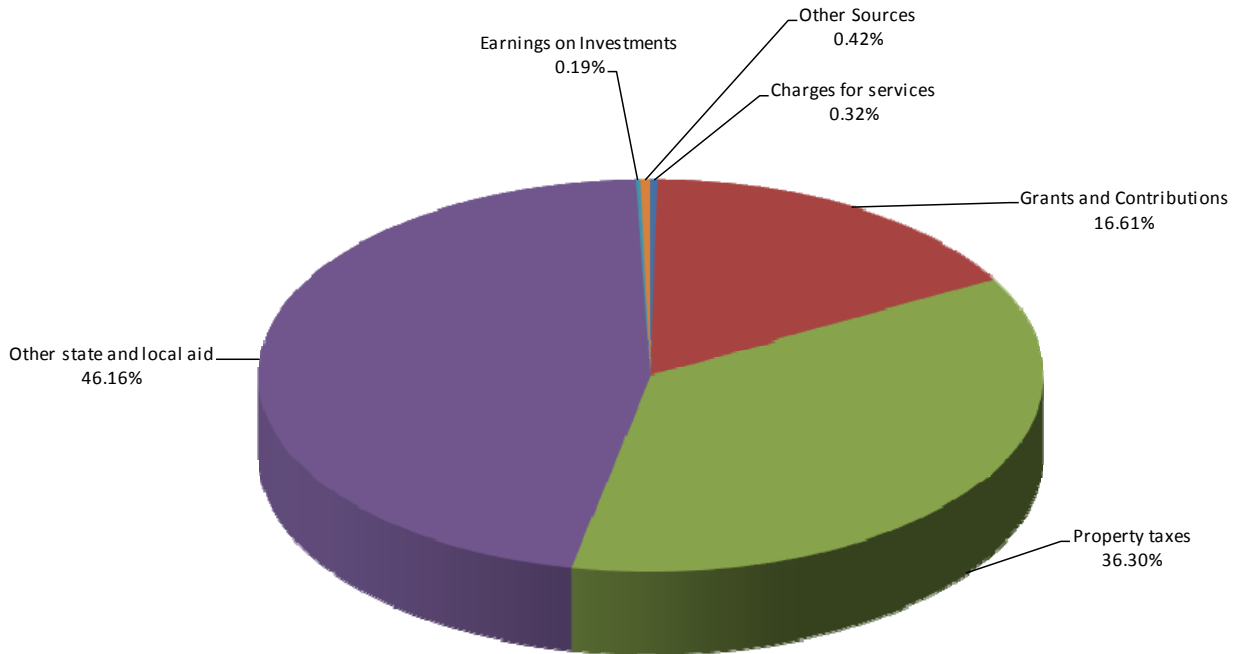
CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

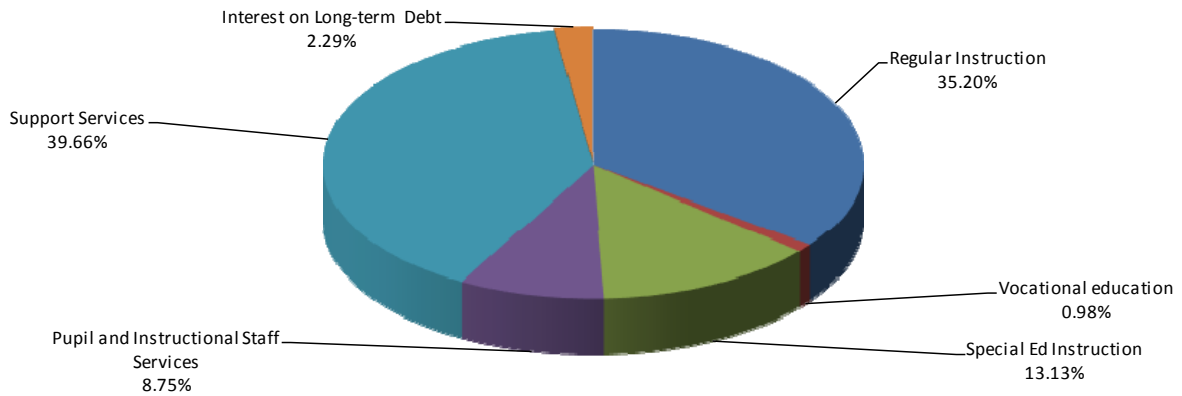
June 30, 2018

(Unaudited)

Carbon County School District #1
Revenues by Source - Governmental Activities
Year Ended June 30, 2018



Carbon County School District #1
Expenses by Function - Governmental Activities
Year Ended June 30, 2018



CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018
(Unaudited)

Financial Analysis of the District's Funds

Governmental Funds

Revenues

General fund revenues, increased to \$26,318,316 in FY 2018 from \$28,017,771 in FY 2017 due to an increase in intergovernmental revenues.

In comparison to the prior year, major maintenance revenues from the State of Wyoming increased by \$415,522. 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 2018 were \$582,449, an increase of \$29,849 from the prior year. The expenses incurred to provide this program decreased by \$9,507 from the prior year. The food service fund had a net loss before transfers of \$383,665 in FY 2018, compared to a net loss before transfers of \$363,323 in FY 2017. The aquatic center fund for FY 2018 had revenue of \$271,685 with expenses incurred to provide this program of \$472,846.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2018 is \$118,649,682 (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>2016-2017</u>	<u>2017-2018</u>
Land	\$ 1,030,694	\$ 1,030,694
Construction in progress	60,862,439	480,158
Buildings and improvements	54,378,532	115,803,995
Vehicles	1,109,977	855,340
Furniture and equipment	568,760	479,495
Total	<u>\$117,950,402</u>	<u>\$118,649,682</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, 2018

(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, 2018:

Debt outstanding at July 1, 2017	\$ 23,741,800
New debt issued	446,896
Debt retired	2,395,098
Debt outstanding at June 30, 2018	<u>\$ 21,793,598</u>

Budgetary Information

During the fiscal year ended June 30, 2018, the District amended the general fund budget during the year. The amendments decreased the expenditure budget for instruction by \$894,850, increased the expenditures budget for instructional support by \$68,150, decreased the expenditure budget for support services – general support by \$42,642, increased the expenditure budget for payments to other governmental units by \$300,000 and increased budgeted transfers out by \$525,000.

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 Margaret Quintrall, Interim Business Manager, 615 Rodeo Street, Rawlins, Wyoming 82301.

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BASIC FINANCIAL STATEMENTS

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CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION

June 30, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BOCHES	Recreation Board
ASSETS					
Current assets					
Cash and cash equivalents	\$ 7,933,628	\$ 299,861	\$ 8,233,489	\$ 545,431	\$ 713,441
Cash held by fiscal agent	1,838,663	-	1,838,663	9,607	3,935
Restricted cash - bond proceeds	902,428	-	902,428	-	-
Property taxes receivable	23,316,458	-	23,316,458	1,504,643	601,858
Accounts receivable	-	-	-	4,871	-
Due from other governments	717,383	-	717,383	-	-
Receivable from external party	537	-	537	37,905	144,000
Internal balances	111,884	(111,884)	-	-	-
Prepaid items	77,105	-	77,105	-	-
Inventory	12,787	10,178	22,965	-	-
Non-current assets					
Land	1,030,694	-	1,030,694	165,168	-
Construction in progress	480,158	-	480,158	-	-
Capital assets, net of accumulated depreciation	117,138,830	-	117,138,830	171,918	-
Total assets	153,560,555	198,155	153,758,710	2,439,543	1,463,234
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan items	5,922,425	155,022	6,077,447	383,948	-
Total deferred outflows of resources	5,922,425	155,022	6,077,447	383,948	-
LIABILITIES					
Current liabilities					
Accounts payable	515,800	10,333	526,133	11,350	-
Accrued salaries payable	406,491	13,566	420,057	20,133	-
Due to component units	181,905	-	181,905	-	-
Noncurrent liabilities					
Due within one year	1,943,576	9,989	1,953,565	7,350	-
Due in more than one year	19,840,033	-	19,840,033	45,849	-
Net pension liability	19,594,521	324,859	19,919,380	1,157,578	-
Total liabilities	42,482,326	358,747	42,841,073	1,242,260	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	19,124,261	-	19,124,261	1,336,924	534,771
Pension plan items	4,050,939	136,101	4,187,040	358,976	-
Total deferred inflows of resources	23,175,200	136,101	23,311,301	1,695,900	534,771
NET POSITION					
Net investment in capital assets Restricted by Wyoming state statutes	99,245,142	-	99,245,142	143,885	-
Restricted by donors	5,245,750	-	5,245,750	-	928,463
Unrestricted (deficit)	78,272	-	78,272	-	-
Total net position	(10,743,710)	(141,671)	(10,885,381)	(258,554)	-
	\$ 93,825,454	\$ (141,671)	\$ 93,683,783	\$ (114,669)	\$ 928,463

See accompanying notes to financial statements

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CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 11,742,914	\$ 116,135	\$ 861,543	\$ -
Special instruction	4,379,586	-	452,204	-
Vocational education	326,527	-	-	-
Support services				
Pupil services	2,043,651	-	99,231	-
Instructional staff services	873,851	-	237,776	-
General administration services	276,742	-	9,614	-
School administration services	1,710,575	-	687	-
Business services	688,498	-	-	-
Operation and maintenance of plant services	6,312,307	-	-	918,888
Pupil transportation services	2,053,236	-	-	-
Central services	1,973,944	-	-	3,520,161
Other support services	213,800	-	-	-
Interest on long-term debt	763,415	-	-	-
Total governmental activities	<u>33,359,046</u>	<u>116,135</u>	<u>1,661,055</u>	<u>4,439,049</u>
Business-type activities				
Food service fund	966,114	228,975	335,425	-
Aquatic center fund	472,846	61,556	210,000	-
Total business-type activities	<u>1,438,960</u>	<u>290,531</u>	<u>545,425</u>	<u>-</u>
Total primary government	<u>\$ 34,798,006</u>	<u>\$ 406,666</u>	<u>\$ 2,206,480</u>	<u>\$ 4,439,049</u>
Component units				
BOCHES	\$ 1,784,848	\$ 420,585	\$ 6,554	\$ -
Recreation Board	571,116	-	-	-
Total component units	<u>\$ 2,355,964</u>	<u>\$ 420,585</u>	<u>\$ 6,554</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
- Payments to Recreation Board
- 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
\$ (10,765,236)	\$ -	\$ (10,765,236)	\$ -	\$ -
(3,927,382)	-	(3,927,382)	-	-
(326,527)	-	(326,527)	-	-
(1,944,420)	-	(1,944,420)	-	-
(636,075)	-	(636,075)	-	-
(267,128)	-	(267,128)	-	-
(1,709,888)	-	(1,709,888)	-	-
(688,498)	-	(688,498)	-	-
(5,393,419)	-	(5,393,419)	-	-
(2,053,236)	-	(2,053,236)	-	-
1,546,217	-	1,546,217	-	-
(213,800)	-	(213,800)	-	-
(763,415)	-	(763,415)	-	-
(27,142,807)	-	(27,142,807)	-	-
-	(401,714)	(401,714)	-	-
-	(201,290)	(201,290)	-	-
-	(603,004)	(603,004)	-	-
(27,142,807)	(603,004)	(27,745,811)	-	-
-	-	-	(1,357,709)	-
-	-	-	-	(571,116)
-	-	-	(1,357,709)	(571,116)
11,321,002	-	11,321,002	-	-
2,011,479	-	2,011,479	-	-
-	-	-	-	487,714
-	-	-	1,192,537	-
16,953,210	-	16,953,210	-	-
69,429	410	69,839	2,245	1,451
152,614	17,768	170,382	-	-
(1,538,935)	-	(1,538,935)	(111,374)	-
(300,000)	-	(300,000)	-	-
(400,000)	400,000	-	-	-
28,268,799	418,178	28,686,977	1,083,408	489,165
1,125,992	(184,826)	941,166	(274,301)	(81,951)
92,699,462	43,155	92,742,617	159,632	1,010,414
\$ 93,825,454	\$ (141,671)	\$ 93,683,783	\$ (114,669)	\$ 928,463

CARBON COUNTY SCHOOL DISTRICT #1

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2018

	General Fund	Grants Fund	Major Maintenance Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 4,494,050	\$ 148,292	\$ 961,976
Cash held by fiscal agent	197,491	-	-
Restricted cash - bond proceeds	-	-	-
Property taxes receivable	20,631,402	-	-
Due from other governments	51,810	312,050	-
Receivable from external party	537	-	-
Due from other funds	475,961	-	-
Prepaid items	77,105	-	-
Inventory	12,787	-	-
Total assets	<u>\$ 25,941,143</u>	<u>\$ 460,342</u>	<u>\$ 961,976</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 188,438	\$ 10,398	\$ 259,923
Due to other funds	-	351,567	-
Due to component unit	181,905	-	-
Accrued salaries payable	386,386	20,105	-
Total liabilities	<u>756,729</u>	<u>382,070</u>	<u>259,923</u>
Deferred inflows of resources			
Unavailable property tax revenue	18,392,933	-	-
Unavailable intergovernmental revenue	1,979,266	-	-
Total deferred inflows of resources	<u>20,372,199</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable			
Prepaid items	77,105	-	-
Inventory	12,787	-	-
Restricted			
Major maintenance W.S. 21-15-109	-	-	702,053
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	-	78,272	-
Debt service	-	-	-
Committed	-	-	-
Unassigned	4,722,323	-	-
Total fund balances	<u>4,812,215</u>	<u>78,272</u>	<u>702,053</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,941,143</u>	<u>\$ 460,342</u>	<u>\$ 961,976</u>

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ 2,329,310	\$ -	\$ 7,933,628
-	1,641,172	1,838,663
902,428	-	902,428
-	2,685,056	23,316,458
353,523	-	717,383
-	-	537
-	-	475,961
-	-	77,105
-	-	12,787
<u>\$ 3,585,261</u>	<u>\$ 4,326,228</u>	<u>\$ 35,274,950</u>
\$ 27,367	\$ -	\$ 486,126
12,512	-	364,079
-	-	181,905
-	-	406,491
<u>39,879</u>	<u>-</u>	<u>1,438,601</u>
-	2,648,436	21,041,369
352,228	-	2,331,494
<u>352,228</u>	<u>2,648,436</u>	<u>23,372,863</u>
-	-	77,105
-	-	12,787
-	-	702,053
1,968,417	-	1,968,417
-	1,677,792	1,677,792
868,109	-	868,109
-	-	78,272
29,379	-	29,379
327,249	-	327,249
-	-	4,722,323
<u>3,193,154</u>	<u>1,677,792</u>	<u>10,463,486</u>
<u>\$ 3,585,261</u>	<u>\$ 4,326,228</u>	<u>\$ 35,274,950</u>

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CARBON COUNTY SCHOOL DISTRICT #1

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

June 30, 2018

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

Total fund balances - governmental funds		\$ 10,463,486
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		118,649,682
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	\$ 1,917,108	
Unavailable intergovernmental revenue	<u>2,331,494</u>	4,248,602
Deferred outflows and inflows of resources are available revenue or available to pay for current period expenditures and therefore the underlying resources are not reported in the governmental funds.		
Pension plan items - deferred outflows of resources	5,922,425	
Pension plan items - deferred inflows of resources	<u>(4,050,939)</u>	1,871,486
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	(19,714,672)	
Series 2012 bonds payable premium, net of amortization	(1,068,614)	
Retainage payable	(28,880)	
Compensated absences	(408,027)	
Net pension liability	(19,594,521)	
Lease purchase obligations	<u>(593,088)</u>	<u>(41,407,802)</u>
Net position of governmental activities		<u>\$ 93,825,454</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, 2018**

	General Fund	Grants Fund	Major Maintenance Fund
Revenues			
Taxes	\$ 13,105,278	\$ -	\$ -
Intergovernmental revenues	12,951,562	1,564,628	918,888
Charges for services	116,135	-	-
Investment income	49,898	208	4,311
Miscellaneous	95,443	152,166	-
Total revenues	26,318,316	1,717,002	923,199
Expenditures			
Instruction			
Regular instruction	9,619,262	918,808	-
Special instruction	3,755,243	453,040	-
Vocation education	263,329	49,766	-
Support services			
Pupil services	2,213,325	99,482	-
Instructional staff services	615,673	238,107	-
General administration services	258,904	9,694	-
School administration services	1,625,156	671	-
Business services	656,788	-	-
Operation and maintenance of plant services	3,193,342	-	1,663,162
Pupil transportation services	1,726,518	-	-
Central services	1,479,365	-	-
Other support services	215,161	-	-
Facilities acquisition and construction services	-	-	-
Debt service			
Principal repayments	294,519	-	-
Interest	44,601	-	-
Total expenditures	25,961,186	1,769,568	1,663,162
Excess (deficiency) of revenues over expenditures	357,130	(52,566)	(739,963)
Other financing sources (uses)			
Transfers in (out)	(497,378)	97,378	-
Payments to other governmental units - Recreation Board	(300,000)	-	-
Proceeds from the sale of capital assets	74,362	-	-
Total other financing sources (uses)	(723,016)	97,378	-
Net changes in fund balances	(365,886)	44,812	(739,963)
Fund balances - beginning of year	5,178,101	33,460	1,442,016
Fund balances - end of year	\$ 4,812,215	\$ 78,272	\$ 702,053

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 1,980,161	\$ 15,085,439
3,357,260	-	18,792,338
-	-	116,135
15,011	-	69,428
-	-	247,609
<u>3,372,271</u>	<u>1,980,161</u>	<u>34,310,949</u>
-	-	10,538,070
-	-	4,208,283
-	-	313,095
-	-	2,312,807
-	-	853,780
-	-	268,598
-	-	1,625,827
-	-	656,788
898,016	-	5,754,520
-	-	1,726,518
-	-	1,479,365
-	-	215,161
3,726,109	-	3,726,109
-	1,395,000	1,689,519
-	818,871	863,472
<u>4,624,125</u>	<u>2,213,871</u>	<u>36,231,912</u>
<u>(1,251,854)</u>	<u>(233,710)</u>	<u>(1,920,963)</u>
-	-	(400,000)
-	-	(300,000)
-	-	74,362
-	-	<u>(625,638)</u>
(1,251,854)	(233,710)	(2,546,601)
4,445,008	1,911,502	13,010,087
<u>\$ 3,193,154</u>	<u>\$ 1,677,792</u>	<u>\$ 10,463,486</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, 2018

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

Net change in fund balances - total governmental funds \$ (2,546,601)

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

Capital outlay	\$ 5,843,070	
Depreciation expense	(3,530,493)	
Cost basis of asset disposition	(5,128,609)	
Accumulated depreciation of asset dispositions	<u>3,515,312</u>	699,280

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

Pension liability - prior year	20,869,873	
Pension liability - current year	(19,594,521)	
Pension plan items - prior year	(4,540,096)	
Pension plan items - current year	<u>1,871,486</u>	(1,393,258)

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	1,395,000	
Series 2012 premium amortization	97,887	
Accrued interest on bond - current year	(29,674)	
Accrued interest on bond - prior year	31,844	
Principal payments on lease purchase obligations	<u>294,519</u>	1,789,576

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	(28,880)	
Prior year retainage payable	224,503	
Prior year total liability for compensated absences	376,381	
Current year total liability for compensated absences	<u>(408,027)</u>	163,977

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	1,979,266	
Reimbursements from School Facilities Department - prior year	(189,328)	
Reimbursements from School Facilities Department - current year	352,228	
Unavailable property tax revenue - prior year	(1,646,256)	
Unavailable property tax revenue - current year	<u>1,917,108</u>	2,413,018

Changes in net position of governmental activities		<u><u>\$ 1,125,992</u></u>
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See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2018

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 155,756	\$ 144,105	\$ 299,861
Inventory	10,178	-	10,178
Total current assets	<u>165,934</u>	<u>144,105</u>	<u>310,039</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension plan items	103,552	51,470	155,022
Total deferred outflows of resources	<u>103,552</u>	<u>51,470</u>	<u>155,022</u>
LIABILITIES			
Current liabilities			
Accounts payable	694	9,639	10,333
Accrued salaries payable	2,988	10,578	13,566
Compensated absences	9,989	-	9,989
Due to other funds	13,535	98,349	111,884
Total current liabilities	<u>27,206</u>	<u>118,566</u>	<u>145,772</u>
Noncurrent liabilities			
Net pension liability	299,596	25,263	324,859
Total liabilities	<u>326,802</u>	<u>143,829</u>	<u>470,631</u>
DEFERRED INFLOW OF RESOURCES			
Pension plan items	75,487	60,614	136,101
Total deferred inflows of resources	<u>75,487</u>	<u>60,614</u>	<u>136,101</u>
NET POSITION			
Unrestricted (deficit)	(132,803)	(8,868)	(141,671)
Total net position (deficit)	<u>\$ (132,803)</u>	<u>\$ (8,868)</u>	<u>\$ (141,671)</u>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended June 30, 2018

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
Cash flows from operating activities			
Cash received from services	\$ 236,602	\$ 61,556	\$ 298,158
Cash paid to suppliers for goods and services	(480,622)	(131,541)	(612,163)
Cash paid to employees for services	(392,775)	(313,151)	(705,926)
Net cash used in operating activities	<u>(636,795)</u>	<u>(383,136)</u>	<u>(1,019,931)</u>
Cash flows from noncapital financing activities			
Operating transfers in	275,000	125,000	400,000
Payments from interfund activity	13,874	85,738	99,612
Subsidy received from federal grants	288,553	-	288,553
Subsidy received from local grants	-	210,000	210,000
Net cash provided by noncapital financing activities	<u>577,427</u>	<u>420,738</u>	<u>998,165</u>
Cash flows from investing activities			
Interest income	281	129	410
Net cash provided by investing activities	<u>281</u>	<u>129</u>	<u>410</u>
Net change in cash and cash equivalents	(59,087)	37,731	(21,356)
Cash and cash equivalents - beginning of year	<u>214,843</u>	<u>106,374</u>	<u>321,217</u>
Cash and cash equivalents - end of year	<u>\$ 155,756</u>	<u>\$ 144,105</u>	<u>\$ 299,861</u>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CASH FLOWS (CONTINUED)

PROPRIETARY FUNDS

Year Ended June 30, 2018

	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	\$ (719,371)	\$ (411,290)	\$ (1,130,661)
Adjustments to reconcile operating loss to net cash and cash equivalents used in operating activities			
Amortization of pension plan items	50,848	46,238	97,086
Commodities - share of federal subsidy	46,872	-	46,872
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred inflows and outflows and liabilities			
Inventory	(192)	-	(192)
Due from other governments	7,627	-	7,627
Deferred outflow - pension plan items	(2,137)	(6,126)	(8,263)
Accounts payable	(1,206)	4,497	3,291
Accrued salaries payable	1,923	5,694	7,617
Compensated absences	3,181	-	3,181
Net pension liability	(24,340)	(22,149)	(46,489)
Net cash and cash equivalents used in operating activities	<u>\$ (636,795)</u>	<u>\$ (383,136)</u>	<u>\$ (1,019,931)</u>
Non-cash transactions			
The Food Service Fund received USDA commodities	\$ 46,872	\$ -	\$ -

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2018

		Agency Funds	
	Private Purpose Trust Fund	Student Activities Fund	Construction Retainage Fund
ASSETS			
Cash	\$ 18,004	\$ 267,137	\$ 60,730
Investments	229,843	-	-
Due from primary government	-	113	-
Total assets	247,847	\$ 267,250	\$ 60,730
LIABILITIES			
Accounts payable	\$ -	\$ 15,944	\$ -
Retainage payable	-	-	60,730
Due to student groups	760	250,656	-
Due to primary government	-	650	-
Total liabilities	760	267,250	60,730
NET POSITION			
Held in trust for scholarships	247,087		
Total net position	\$ 247,087		

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2018

	<u>Private Purpose Trust Fund</u>
Additions	
Scholarship donations	\$ 6,349
Interest income	<u>819</u>
Total additions	<u>7,168</u>
Deductions	
Scholarship awards	<u>6,625</u>
Total deductions	<u>6,625</u>
Change in net position	<u>543</u>
Net position - beginning of year	<u>246,544</u>
Net position - end of year	<u><u>\$ 247,087</u></u>

See accompanying notes to financial statements

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CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

Discretely Presented Component Units

The Board of Cooperative Higher Educational Services (BOCHES) operating as the Carbon County Higher Education Center is governed by a five-member board appointed by the District's Board of Trustees. 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, 2018

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, 2018

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. Rated AAAM by Standard & Poor's.

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

Investments

The District follows the guidelines described in Wyoming Statute 9-4-831 as it relates to the investment of public funds. Wyoming Statutes authorize the types of investments in which the District may invest. Among these authorized investments are certificates of deposit, money market funds, commercial paper, obligations of the U.S. Treasury, agencies and instrumentalities of the U.S. Government, mortgage backed securities, guaranteed investment contracts, mutual funds and repurchase agreements with banks with the underlying securities being obligation of the U.S. Treasury or agencies and instrumentalities of the U.S. Government.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

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

Investments (Continued)

The District's investments consist of certificates of deposit valued at amortized cost or carried at cost plus accrued interest.

Accounts Receivable

The District considers all accounts receivable to be fully collectible at June 30, 2018 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, 2018 was 36.95 mills.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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.

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

Capital Assets

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

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

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

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

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

Pensions

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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, 2018

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Balance and Net Position

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

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

The food service fund has a deficit net position as of June 30, 2018. The deficit net position in the food service fund is the result of recognizing the net pension liability as required by governmental accounting standards.

Restricted Net Position

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

Use of Estimates

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

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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

As of June 30, 2018, the District’s fiduciary fund had the following investments:

Investment Type	Total	Maturity 1 year or less	Interest Rate	Rating
Private Purpose Trust Fund				
Certificate of Deposit	\$ 229,444	\$ 229,444	0.35%	N/A

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 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, 2018, the District had bank balances of \$6,671,899 with a carrying amount of \$4,876,588. The difference between the carrying amount and the bank balance is the result of the transactions in transit. All deposits were covered by insurance or collateral held in joint custody with the financial institution.

Custodial credit risk - deposits with WGIF Liquid Asset Series. The District also had cash equivalents of \$4,542,720 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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 3. Deposits and Investments (Continued)

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy to address interest rate risk. As a means of limiting its exposure to fair value losses arising from interest rates, the District attempts to match its investment maturities with its expected cash flow needs. With this investment focus, investments are expected to reach maturity with limited gains and losses.

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. At June 30, 2018, the District's fiduciary fund investments were in certificates of deposits.

Note 4. Capital Assets

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

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,030,694	\$ -	\$ -	\$ 1,030,694
Construction in progress	60,862,439	5,782,894	66,165,175	480,158
Total capital assets, not being depreciated	<u>61,893,133</u>	<u>5,782,894</u>	<u>66,165,175</u>	<u>1,510,852</u>
Capital assets, being depreciated				
Buildings and improvements	79,155,930	66,196,061	5,078,799	140,273,192
Vehicles	4,074,461	-	-	4,074,461
Property and equipment	1,261,531	29,290	49,810	1,241,011
Total capital assets, being depreciated	<u>84,491,922</u>	<u>66,225,351</u>	<u>5,128,609</u>	<u>145,588,664</u>
Less accumulated depreciation				
Buildings and improvements	24,777,398	3,168,768	3,476,969	24,469,197
Vehicles	2,964,484	254,637	-	3,219,121
Property and equipment	692,771	107,088	38,343	761,516
Total accumulated depreciation	<u>28,434,653</u>	<u>3,530,493</u>	<u>3,515,312</u>	<u>28,449,834</u>
Total capital assets, being depreciated, net	<u>56,057,269</u>	<u>62,694,858</u>	<u>1,613,297</u>	<u>117,138,830</u>
Governmental activities capital assets, net	<u>\$ 117,950,402</u>	<u>\$ 68,477,752</u>	<u>\$ 67,778,472</u>	<u>\$ 118,649,682</u>

The District has \$1,442,372 assets under capital leases with accumulated depreciation of \$729,426. The depreciation expense for the fiscal year ended June 30, 2018 was \$175,862.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 4. Capital Assets (Continued)

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

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Business-type activities				
Capital assets, being depreciated				
Buildings and improvements	\$ 173,675	\$ -	\$ 173,675	\$ -
Property and equipment	187,981		168,081	19,900
Total capital assets, being depreciated	<u>361,656</u>	-	<u>341,756</u>	<u>19,900</u>
Less accumulated depreciation				
Buildings and improvements	173,676	-	173,676	-
Property and equipment	187,980	-	168,080	19,900
Total accumulated depreciation	<u>361,656</u>	-	<u>341,756</u>	<u>19,900</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A summary of changes in BOCHES capital assets follows:

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not being depreciated				
Land	\$ 165,168	\$ -	\$ -	\$ 165,168
Total capital assets, not being depreciated	<u>165,168</u>	-	-	<u>165,168</u>
Capital assets, being depreciated				
Buildings and improvements	209,933	-	-	209,933
Vehicles	134,476	-	-	134,476
Property and equipment	469,376	-	-	469,376
Total capital assets, being depreciated	<u>813,785</u>	-	-	<u>813,785</u>
Less accumulated depreciation				
Buildings and improvements	115,694	9,913	-	125,607
Vehicles	105,199	5,019	-	110,218
Property and equipment	370,524	35,518	-	406,042
Total accumulated depreciation	<u>591,417</u>	<u>50,450</u>	-	<u>641,867</u>
Total capital assets, being depreciated, net	<u>222,368</u>	<u>(50,450)</u>	-	<u>171,918</u>
Total capital assets, net	<u>\$ 387,536</u>	<u>\$ (50,450)</u>	<u>\$ -</u>	<u>\$ 337,086</u>

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

Governmental activities	
Regular instruction	\$ 107,088
Pupil transportation	254,637
Operation and maintenance of plant services	3,168,768
Total depreciation expenses - governmental activities	<u>\$ 3,530,493</u>

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 5. Long-term Debt

The following is a summary of debt transactions of the District for the year ended June 30, 2018:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Lease purchase obligations	\$ 887,607	\$ -	\$ 294,519	\$ 593,088	\$ 275,614
Series 2012 bonds	21,080,000	-	1,395,000	19,685,000	1,450,000
Retainage payable	224,503	28,880	224,503	28,880	28,880
Accrued compensated absences	376,381	408,027	376,381	408,027	91,195
	<u>22,568,491</u>	<u>436,907</u>	<u>2,290,403</u>	<u>20,714,995</u>	<u>1,845,689</u>
Premium on Series 2012 bonds	1,166,501	-	97,887	1,068,614	97,887
Net pension liability	20,869,873	-	1,275,352	19,594,521	-
	<u>\$ 44,604,865</u>	<u>\$ 436,907</u>	<u>\$ 3,663,642</u>	<u>\$ 41,378,130</u>	<u>\$ 1,943,576</u>
Business-type Activities					
Accrued compensated absences	\$ 6,808	\$ 9,989	\$ 6,808	\$ 9,989	\$ 9,989
Net pension liability	371,348	-	46,489	324,859	-
	<u>\$ 378,156</u>	<u>\$ 9,989</u>	<u>\$ 53,297</u>	<u>\$ 334,848</u>	<u>\$ 9,989</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, 2018 was as follows:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Lease purchase obligations	\$ 27,422	\$ -	\$ 6,139	\$ 21,283	\$ 7,350
Accrued compensated absences	29,890	31,916	29,890	31,916	-
	<u>57,312</u>	<u>31,916</u>	<u>36,029</u>	<u>53,199</u>	<u>7,350</u>
Net pension liability	1,411,120	-	253,542	1,157,578	-
	<u>\$ 1,468,432</u>	<u>\$ 31,916</u>	<u>\$ 289,571</u>	<u>\$ 1,210,777</u>	<u>\$ 7,350</u>

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

Note 5. Long-term Debt (Continued)

As of June 30, 2018 the District had the following outstanding lease purchase obligations:

Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$18,191 including interest through December 2018; collateralized with copiers.	\$ 34,387
Lease purchase obligations for four buses; interest rate of 3.85%, due in annual installments of \$104,777 including interest through May 2019; collateralized with buses.	139,163
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.	406,328
Lease purchase obligation on copier equipment; interest rate of 15.19%, due in quarterly installments of \$1,067 including interest through November 2018; collateralized with copiers.	2,016
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.	6,024
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.	5,170
	\$ 593,088

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018, are as follows:

Year ended June 30,	
2019	\$ 300,604
2020	198,711
2021	136,972
Total minimum payments	636,287
Less amount representing interest	43,199
Net future minimum payments	\$ 593,088

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 5. Long-term Debt (Continued)

Bonds

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

The debt service requirement and premium amortization on the Series 2012 bonds as of June 30, 2018 is as follows:

Year Ending June 30	Interest Rate	Series 2012		Total Principal and Interest	Premium amortization
		Principal	Interest		
2019	4.00%	\$ 1,450,000	\$ 763,036	\$ 2,213,036	\$ 97,887
2020	4.00%	1,510,000	705,036	2,215,036	97,887
2021	5.00%	1,570,000	644,636	2,214,636	97,887
2022	5.00%	1,650,000	566,136	2,216,136	97,887
2023	4.00%	1,730,000	483,636	2,213,636	97,887
2024 to 2028	3.0% to 4.5%	9,635,000	1,434,189	11,069,189	489,435
2029 to 2030	3.75%	2,140,000	72,226	2,212,226	89,744
		<u>\$ 19,685,000</u>	<u>\$ 4,668,895</u>	<u>\$ 24,353,895</u>	<u>\$ 1,068,614</u>

Note 6. Interfund Receivables, Payables and Transfers

The composition of the interfund balances as of June 30, 2018 is as follows:

	Interfund Receivable	Interfund Payable
Primary government		
General fund	\$ 475,961	\$ -
Grants fund	-	351,567
Capital construction fund	-	12,512
Business-type activities		
Food service fund	-	13,533
Aquatic center fund	-	98,349
	<u>\$ 475,961</u>	<u>\$ 475,961</u>

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 6. Interfund Receivables, Payables, and Transfers (Continued)

During the fiscal year ended June 30, 2018 the District had the following interfund transfers:

	Transfers in	Transfers out
General fund	\$ -	\$ 400,000
Food service fund	275,000	-
Aquatic center fund	125,000	-
	<u>\$ 400,000</u>	<u>\$ 400,000</u>

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

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

The District's contributions to the PEPP for the years ended June 30, 2018, 2017 and 2016 were \$2,282,549, \$2,361,403, and \$2,405,446, while the employees' portion was \$214,775, \$221,029, and \$226,452, 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, 2018, 2017 and 2016 were \$133,359, \$160,548, and \$170,684, 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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 7. Pension Plan (Continued)

Benefits are established by Title 9, Chapter 3 of the Wyoming Statutes. The PEPP provides retirement, disability and death benefits according to predetermined formulas and allows retirees to select one of seven optional methods for receiving benefits, including two joint and survivor forms of benefits: a 100% joint and survivor annuity, and a 50% joint and survivor annuity. The benefit amounts under these options are determined on an actuarially equivalent basis. Any cost of living adjustment provided to retirees must be granted 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>.

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

At June 30, 2018, the District and BOCHES reported a total liability of \$19,919,380 and \$1,157,578, respectively, for their proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of December 31, 2017, applied to all prior periods included in the measurement. 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, 2017 is based on the results of an actuarial valuation as of January 1, 2017, rolled forward to a measurement date of December 31, 2017, and taking into consideration information from the recent experience study.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 7. Pension Plan (Continued)

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

The schedule below shows the District's proportionate share of the net pension liability at June 30, 2018, the proportionate portion at the measurement date of December 31, 2017, and the change in the proportion from the previous measurement date.

	Pension liability June 30, 2018	Proportion at December 31, 2017	Increase (decrease) from December 31, 2016
District			
Public Employees' Pension Plan	\$ 19,919,380	0.8739098%	(0.0048546%)
BOCHES			
Public Employees' Pension Plan	\$ 1,157,578	0.0507856%	(0.0075854%)

For the year ended June 30, 2018, the District and BOCHES recognized pension expense of \$3,718,140 and \$194,424, respectively. At June 30, 2018, 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	\$ 2,551,824	\$ 153,989	\$ 3,250,369	\$ 188,889
Difference due to changes in assumptions	1,935,497	112,478	-	-
Difference between actual and expected experience	-	-	698,640	42,374
Change in employer's proportion	-	50,046	238,031	127,713
Amortizing deferred outflows and deferred inflows	4,487,321	316,513	4,187,040	358,976
Contributions subsequent to the measurement date	1,590,126	67,435	-	-
Total	\$ 6,077,447	\$ 383,948	\$ 4,187,040	\$ 358,976

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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 \$1,590,126 and \$67,435, respectively, as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	District	Component Unit	District	Component Unit
		BOCHES		BOCHES
Year ended June 30,				
2019	\$ 2,017,060	\$ 147,062	\$ 1,349,453	\$ 115,788
2020	1,684,001	123,240	1,043,135	96,575
2021	668,302	39,356	954,275	90,889
2022	117,958	6,855	840,177	55,724
	<u>\$ 4,487,321</u>	<u>\$ 316,513</u>	<u>\$ 4,187,040</u>	<u>\$ 358,976</u>

Actuarial Assumptions

The total pension liability in the December 31, 2017 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions and Methods

Valuation date	January 1, 2017
Actuarial cost method	Entry Age Normal
Inflation	3.25%
Salary increases	4.25% to 6.00%, including inflation
Payroll growth rate	4.25%
Cost of living increase	0.00%
Investment net rate of return	7.75%, net pension plan investment expense
Post-Retirement Mortality	RP-2000 Combined Mortality Table, generational projected with Scale BB Males: Set back 1 year with a 104% multiplier Females: No set back with a 90% multiplier
Pre-Retirement Mortality	RP-2000 Combined Mortality Table, generational projected with Scale BB Males: Set back 5 years with a 104% multiplier Females: Set back 4 years with a 90% 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, 2017. In addition, an experience study was conducted covering the five-year period December 31, 2016 and information from this study was considered in measuring the pension liability at December 31, 2017. The assumed rate of investment return of 7.00% (real return net of inflation of 4.75%) falls within a reasonable range of the long-term expected rate of return.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

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 as of January 1, 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%	0.40%	0.40%
Fixed income	20.00%	1.25%	1.77%
Equity	45.00%	4.96%	6.88%
Marketable alternatives	17.50%	2.79%	3.30%
Private markets	17.50%	5.06%	7.11%
Total	100.00%	3.85%	5.27%

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	\$ 30,105,941	\$ 19,919,380	\$ 11,423,935
BOCHES			
Public Employees' Pension Plan	\$ 1,749,549	\$ 1,157,578	\$ 663,880

Payables to the pension plan – At June 30, 2018 BOCHES reported \$11,142 as payable to the pension plan and the District had no payables.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 7. Pension Plan (Continued)

Discount Rate

The discount rate used to measure the 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, 2018 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, 2018, the District paid \$154,438 into the State Worker's Compensation System.

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

The District participates in the Wyoming Educator Benefit Trust (WEBT). WEBT sets premium rates each year based on projected medical costs. The District paid \$2,608,625 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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

Note 9. Transactions with Discretely Presented Component Unit

During the fiscal year ended June 30, 2018, the District received \$210,000 from the Recreation Board to operate the swimming pool.

Note 10. Commitments and Contingencies

As of June 30, 2018, 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
Little Snake River - Tech Recabling/Minor Electrical Upgra	307,075	244,458	62,617
Rawlins Elementary Mechanical and Electrical Ph2	99,950	71,214	28,736
Rawlins Elementary Tech Recabling	221,121	68,350	152,771
Central Office Tech Recabling	12,600	12,003	597
Rawlins Middle School Tech Recabling	12,600	12,003	597

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.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, establishes accounting and financial reporting requirements related to debt, including direct borrowings and direct placements, and clarifies which liabilities governments should include when disclosing information related to debt. The requirements of the Statement are effective for reporting periods beginning after June 15, 2018. Management has not completed its assessment of the effects of implementing this standard.

Note 12. Subsequent Events

The District did not have any subsequent events through December 14, 2018, 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, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 16,499,150	\$ 16,499,150	\$ 12,210,923	\$ (4,288,227)
County sources	3,358,220	3,358,220	3,332,956	(25,264)
State sources	7,167,074	7,167,074	10,586,820	3,419,746
Other sources	5,342,500	5,342,500	74,362	(5,268,138)
Total revenues	<u>32,366,944</u>	<u>32,366,944</u>	<u>26,205,061</u>	<u>(6,161,883)</u>
Expenses				
Instruction	16,978,761	16,083,911	14,779,605	1,304,306
Instructional support	2,499,955	2,568,105	1,760,539	807,566
Support services - general support	10,332,592	10,289,950	9,276,881	1,013,069
Facilities acquisition and construction	500,000	500,000	-	500,000
Total expenditures	<u>30,311,308</u>	<u>29,441,966</u>	<u>25,817,025</u>	<u>3,624,941</u>
Excess (deficiency) of revenues over expenditures	<u>2,055,636</u>	<u>2,924,978</u>	<u>388,036</u>	<u>(2,536,942)</u>
Other financing sources (uses)				
Interest expense	(65,000)	(65,000)	-	65,000
Payment to other governmental unit	-	(300,000)	(300,000)	-
Transfers out	(775,000)	(1,300,000)	(497,378)	802,622
Total other financing sources (uses)	<u>(840,000)</u>	<u>(1,665,000)</u>	<u>(797,378)</u>	<u>867,622</u>
Net change in fund balance	1,215,636	1,259,978	(409,342)	<u>\$ (1,669,320)</u>
Fund balance - beginning of year	<u>4,944,159</u>	<u>4,944,159</u>	<u>4,944,159</u>	
Fund balance - end of year	<u>\$ 6,159,795</u>	<u>\$ 6,204,137</u>	<u>\$ 4,534,817</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 3,906,400	\$ 3,906,400	\$ 1,305,749	\$ (2,600,651)
State sources	700,000	700,000	98,729	(601,271)
Local sources	120,000	120,000	157,166	37,166
Investment earnings	-	-	208	208
Total revenues	<u>4,726,400</u>	<u>4,726,400</u>	<u>1,561,852</u>	<u>(3,164,548)</u>
Expenditures				
Instruction	4,007,500	4,007,500	1,444,855	2,562,645
Instructional support	200,000	450,000	337,422	112,578
Support services	450,000	200,000	9,790	190,210
Total expenditures	<u>4,657,500</u>	<u>4,657,500</u>	<u>1,792,067</u>	<u>2,865,433</u>
Excess (deficiency) of revenues over expenditures	<u>68,900</u>	<u>68,900</u>	<u>(230,215)</u>	<u>(299,115)</u>
Other financing sources				
Transfers in	-	-	97,378	(97,378)
Total other financing sources	<u>-</u>	<u>-</u>	<u>97,378</u>	<u>(97,378)</u>
Net change in fund balance	68,900	68,900	(132,837)	<u>\$ (396,493)</u>
Fund balance (deficit) - beginning of year	<u>(70,438)</u>	<u>(70,438)</u>	<u>(70,438)</u>	
Fund balance (deficit) - end of year	<u>\$ (1,538)</u>	<u>\$ (1,538)</u>	<u>\$ (203,275)</u>	

See accompanying notes to required supplementary information

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CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

MAJOR MAINTENANCE FUND (UNAUDITED)

Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 918,888	\$ 918,888	\$ 918,888	\$ -
Interest	5,500	5,500	4,311	(1,189)
Total revenues	<u>924,388</u>	<u>924,388</u>	<u>923,199</u>	<u>(1,189)</u>
Expenditures				
Capital outlay	2,779,271	2,779,271	1,940,176	839,095
Total expenditures	<u>2,779,271</u>	<u>2,779,271</u>	<u>1,940,176</u>	<u>839,095</u>
Net change in fund balance	(1,854,883)	(1,854,883)	(1,016,977)	<u>\$ 837,906</u>
Fund balance - beginning of year	<u>1,978,953</u>	<u>1,978,953</u>	<u>1,978,953</u>	
Fund balance - end of year	<u>\$ 124,070</u>	<u>\$ 124,070</u>	<u>\$ 961,976</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)

	2018	2017	2016
Public Employees' Pension Plan - District			
Proportion of the net pension liability (asset)	0.873909800%	0.878644000%	0.879573764%
Proportionate share of the net pension liability (asset)	\$ 19,919,380	\$ 21,241,221	\$ 20,488,333
Covered payroll	15,523,938	15,665,390	15,340,416
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%
Public Employees' Pension Plan - BOCHES			
Proportion of the net pension liability (asset)	0.050785600%	0.058371000%	0.052624645%
Proportionate share of the net pension liability (asset)	\$ 1,157,578	\$ 1,411,120	\$ 1,225,812
Covered payroll	902,144	1,040,700	917,813
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	128.31%	135.59%	133.56%
Plan fiduciary net position as a percentage of the total pension liability	76.35%	73.42%	73.40%

*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.

2015	2014	2013	2012	2011	2010	2009
0.920754768%	*	*	*	*	*	*
\$ 16,248,488	*	*	*	*	*	*
15,739,497	*	*	*	*	*	*
103.23%	*	*	*	*	*	*
79.08%	*	*	*	*	*	*
0.055306551%	*	*	*	*	*	*
\$ 975,991	*	*	*	*	*	*
945,417	*	*	*	*	*	*
103.23%	*	*	*	*	*	*
79.08%	*	*	*	*	*	*

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years
(Unaudited)

	2018	2017	2016
Public Employees' Pension Plan - District			
Contractually required contribution	\$ 2,497,324	\$ 2,582,432	\$ 2,631,898
Contributions in relations to the contractually required contributions	(2,497,324)	(2,582,432)	(2,631,898)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 15,026,017	\$ 15,538,099	\$ 15,835,728
Contributions as a percentage of covered payroll	16.62%	16.62%	16.62%
Public Employees' Pension Plan - BOCHES			
Contractually required contribution	\$ 133,359	\$ 160,548	\$ 170,684
Contributions in relations to the contractually required contributions	(133,359)	(160,548)	(170,684)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 802,401	\$ 965,993	\$ 1,026,980
Contributions as a percentage of covered payroll	16.62%	16.62%	16.62%

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

2015	2014	2013	2012	2011	2010	2009
\$ 2,515,461	*	*	*	*	*	*
(2,515,461)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 15,850,416	*	*	*	*	*	*
15.87%	*	*	*	*	*	*
\$ 162,501	*	*	*	*	*	*
(162,501)	*	*	*	*	*	*
\$ -	*	*	*	*	*	*
\$ 1,023,951	*	*	*	*	*	*
15.87%	*	*	*	*	*	*

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CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2018

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	\$ 26,205,061	\$ 1,561,852	\$ 923,199
Differences - Budget Basis to GAAP			
Accrual of property taxes receivable	88,926	-	-
Intergovernmental revenue	98,539	160,150	-
Proceeds from the sale of capital assets	(74,362)	-	-
Miscellaneous revenue	152	(5,000)	-
	<u> </u>	<u> </u>	<u> </u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,318,316</u>	<u>\$ 1,717,002</u>	<u>\$ 923,199</u>
Expenditures			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 25,817,025	\$ 1,792,067	\$ 1,940,176
Differences - Budget Basis to GAAP			
Prepaid items	(2,681)	-	-
Inventory	26,862	-	-
Accrual of accounts payable	56,209	5,903	(277,014)
Accrual of salaries payable	63,771	(28,402)	-
	<u> </u>	<u> </u>	<u> </u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 25,961,186</u>	<u>\$ 1,769,568</u>	<u>\$ 1,663,162</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 \$894,850, increased the expenditures budget for instructional support by \$68,150, decreased the expenditure budget for support services – general support by \$42,642, increased the expenditure budget for payments to other governmental units by \$300,000 and increased budgeted transfers out by \$525,000.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

Note 3. Explanation of Changes to the Pension Plan

Changes of assumptions due to experience analysis – There have been no changes of assumptions in the Public Employees’ Pension Plan from January 1, 2016 to January 1, 2017. However, an experience study was conducted on behalf of all WRS’s plans covering the five year period ended December 31, 2016. That study provided a detailed analysis concerning the development of the long term inflation rate, real rate of return and discount rate. The study also analyzed each major actuarial assumption (e.g. mortality, salary increases, retirement, termination and disability) and proposed assumptions consistent with the findings. The results of this study were incorporated in the liability calculations for the December 31, 2017 measurement.

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

OTHER SUPPLEMENTARY INFORMATION

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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 10,000,000	\$ 10,000,000	\$ 4,552,533	\$ (5,447,467)
Total revenues	<u>10,000,000</u>	<u>10,000,000</u>	<u>4,552,533</u>	<u>(5,447,467)</u>
Expenditures				
Capital outlay	9,895,056	9,895,056	4,122,931	5,772,125
Total expenditures	<u>9,895,056</u>	<u>9,895,056</u>	<u>4,122,931</u>	<u>5,772,125</u>
Net change in fund balance	104,944	104,944	429,602	<u>\$ 324,658</u>
Fund balance (deficit) - beginning of year	<u>(103,648)</u>	<u>(103,648)</u>	<u>(103,648)</u>	
Fund balance (deficit) - end of year	<u>\$ 1,296</u>	<u>\$ 1,296</u>	<u>\$ 325,954</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, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Interest	\$ 6,000	\$ 6,000	\$ 1,540	\$ (4,460)
Other sources	-	-	-	-
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>1,540</u>	<u>(4,460)</u>
Expenditures				
Capital outlay	3,137,648	3,137,648	518,272	2,619,376
Total expenditures	<u>3,137,648</u>	<u>3,137,648</u>	<u>518,272</u>	<u>2,619,376</u>
Excess (deficiency) of revenues over expenditures	<u>(3,131,648)</u>	<u>(3,131,648)</u>	<u>(516,732)</u>	<u>2,614,916</u>
Other financing sources				
Transfers in	500,000	500,000	-	(500,000)
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Net change in fund balance	(2,631,648)	(2,631,648)	(516,732)	<u>\$ 2,114,916</u>
Fund balance - beginning of year	<u>2,507,578</u>	<u>2,507,578</u>	<u>2,507,578</u>	
Fund balance (deficit) - end of year	<u>\$ (124,070)</u>	<u>\$ (124,070)</u>	<u>\$ 1,990,846</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment income	\$ 20,000	\$ 20,000	\$ 3,463	\$ (16,537)
Miscellaneous	50,000	50,000	-	(50,000)
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>3,463</u>	<u>(66,537)</u>
Expenditures				
Capital outlay	1,208,430	1,208,430	1,107,574	100,856
Total expenditures	<u>1,208,430</u>	<u>1,208,430</u>	<u>1,107,574</u>	<u>100,856</u>
Net change in fund balance	(1,138,430)	(1,138,430)	(1,104,111)	<u>\$ 34,319</u>
Fund balance - beginning of year	<u>1,138,430</u>	<u>1,138,430</u>	<u>1,138,430</u>	
Fund balance (deficit) - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,319</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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment income	\$ 9,000	\$ 9,000	\$ 16,200	\$ 7,200
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>16,200</u>	<u>7,200</u>
Expenditures				
Capital outlay	100,000	100,000	3,315	96,685
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>3,315</u>	<u>96,685</u>
Net change in fund balance	(91,000)	(91,000)	12,885	<u>\$ 103,885</u>
Fund balance - beginning of year	<u>855,224</u>	<u>855,224</u>	<u>855,224</u>	
Fund balance - end of year	<u>\$ 764,224</u>	<u>\$ 764,224</u>	<u>\$ 868,109</u>	

Note to the budgetary presentation

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

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STATISTICAL INFORMATION
(Unaudited)

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

Governmental Activities	2018	2017	2016	2015
Net investment in capital assets	\$ 99,245,142	\$ 96,384,010	\$ 74,100,629	\$ 53,630,056
Restricted	5,324,022	4,242,203	5,175,537	8,012,141
Unrestricted (deficit)	(10,743,710)	(7,926,751)	(864,557)	(5,587,216)
Total primary government net position	<u>\$ 93,825,454</u>	<u>\$ 92,699,462</u>	<u>\$ 78,411,609</u>	<u>\$ 56,054,981</u>

2014	2013	2012	2011	2010	2009
\$ 44,463,386	\$ 41,264,012	\$ 41,366,461	\$ 40,984,314	\$ 29,390,149	\$ 16,534,830
7,632,913	6,981,020	4,651,094	7,347,945	3,472,334	-
(8,493,275)	5,102,202	4,627,054	4,993,212	8,276,318	9,065,827
<u>\$ 43,603,024</u>	<u>\$ 53,347,234</u>	<u>\$ 50,644,609</u>	<u>\$ 53,325,471</u>	<u>\$ 41,138,801</u>	<u>\$ 25,600,657</u>

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

Expenses	2018	2017	2016	2015
Instructional programs	\$ 16,449,027	\$ 17,164,864	\$ 17,421,913	\$ 16,847,953
Support services				
Pupil transportation	2,053,236	1,785,328	1,688,503	1,580,354
Other support services	14,093,368	16,677,534	12,797,632	13,792,828
BOCHES	-	-	-	-
IBNR claims expense	-	-	-	-
Nutrition services	966,114	975,621	922,527	827,393
Aquatic center	472,846	382,883	287,295	282,089
Interest on long-term debt	763,415	834,541	884,775	899,374
Total expenses	34,798,006	37,820,771	34,002,645	34,229,991
Program revenue				
Charges for services	406,666	410,156	380,100	285,739
Operating grants and contributions	2,206,480	3,303,586	3,233,614	3,217,348
Capital grants	4,439,049	18,730,038	23,770,837	10,377,812
Total program revenues	7,052,195	22,443,780	27,384,551	13,880,899
General Revenues				
Taxes	13,332,481	29,486,096	31,193,908	30,839,762
Investments	69,839	45,236	53,550	70,411
Recapture	-	-	(1,598,040)	(54,890)
Insurance recovery	-	-	110,698	725,250
Loss on disposal of capital assets	(1,538,935)			
Miscellaneous	170,382	279,762	67,260	224,224
Total revenues	19,085,962	52,254,874	57,211,927	45,685,656
Changes in net position	\$ (15,712,044)	\$ 14,434,103	\$ 23,209,282	\$ 11,455,665

2014	2013	2012	2011	2010	2009
\$ 16,270,198	\$ 17,288,797	\$ 17,486,377	\$ 16,765,568	\$ 16,355,136	\$ 13,695,178
1,324,311	1,355,030	1,301,515	1,162,602	1,069,416	1,247,277
11,071,485	10,910,251	11,676,364	12,118,677	9,074,607	9,100,576
-	-	2,934,382	2,824,583	2,737,299	2,746,942
-	-	350,446	-	-	-
854,172	802,959	803,904	747,581	737,048	671,628
161,907	-	-	-	-	-
887,324	953,469	41,760	25,172	28,414	16,324
<u>30,569,397</u>	<u>31,310,506</u>	<u>34,594,748</u>	<u>33,644,183</u>	<u>30,001,920</u>	<u>27,477,925</u>
337,454	305,276	674,716	655,859	679,486	742,499
2,687,326	2,939,298	3,960,845	4,074,920	3,694,212	2,954,095
2,682,239	1,122,270	970,573	12,630,341	12,817,780	-
<u>5,707,019</u>	<u>4,366,844</u>	<u>5,606,134</u>	<u>17,361,120</u>	<u>17,191,478</u>	<u>3,696,594</u>
29,209,217	35,521,556	34,348,744	29,057,277	45,521,368	34,716,336
75,330	30,580	41,854	53,801	101,835	119,043
(1,449,547)	(5,217,195)	(5,268,576)	(708,299)	(17,259,281)	(8,135,913)
-	-	-	-	-	-
<u>(8,793)</u>	<u>392,315</u>	<u>162,363</u>	<u>32,291</u>	<u>16,960</u>	<u>(12,666)</u>
<u>33,533,226</u>	<u>35,094,100</u>	<u>34,890,519</u>	<u>45,796,190</u>	<u>45,572,360</u>	<u>30,383,394</u>
<u>\$ 2,963,829</u>	<u>\$ 3,783,594</u>	<u>\$ 295,771</u>	<u>\$ 12,152,007</u>	<u>\$ 15,570,440</u>	<u>\$ 2,905,469</u>

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund				
Nonspendable	\$ 89,892	\$ 114,074	\$ 105,441	\$ 100,917
Restricted	-	-	-	60,000
Unassigned	4,722,323	5,064,027	4,718,491	4,693,537
Total General Fund	<u>\$ 4,812,215</u>	<u>\$ 5,178,101</u>	<u>\$ 4,823,932</u>	<u>\$ 4,854,454</u>
All Other Governmental Funds				
Restricted				
Major maintenance	\$ 702,053	\$ 1,442,016	\$ 2,661,136	\$ 2,328,995
Buildings and equipment	1,968,417	2,491,073	3,704,950	3,496,180
Bond - capital construction	1,677,792	1,911,502	1,640,880	1,254,439
Bond covenants	868,109	855,225	850,128	849,917
Donors	78,272	33,460	23,393	22,610
Debt service	29,379	930,125	6,678,576	15,766,139
BOCHES	-	-	-	-
Committed				
Capital construction	327,249	168,585	292,482	991,545
Total all other governmental funds	<u>\$ 5,651,271</u>	<u>\$ 7,831,986</u>	<u>\$ 15,851,545</u>	<u>\$ 24,709,825</u>

2014	2013	2012	2011	2010	2009
\$ 29,679	\$ 30,270	\$ 26,076	\$ 55,226	\$ 58,892	\$ 41,269
60,000	60,000	120,000	-	1,404,486	-
3,690,322	5,089,356	5,148,385	4,966,604	2,972,790	4,172,576
<u>\$ 3,780,001</u>	<u>\$ 5,179,626</u>	<u>\$ 5,294,461</u>	<u>\$ 5,021,830</u>	<u>\$ 4,436,168</u>	<u>\$ 4,213,845</u>
\$ 2,040,501	\$ 1,564,524	\$ 1,101,928	\$ 1,011,721	\$ 744,292	\$ 694,056
4,675,817	4,465,994	2,765,654	2,753,839	2,728,042	1,600,000
-	-	-	-	-	-
841,988	838,759	27,516,850	-	-	-
14,607	51,743	52,505	42,961	(11,268)	27,053
19,621,956	24,949,992	-	-	-	-
-	-	3,611,007	3,582,385	3,869,084	2,651,551
344,478	663,679	4,293	133,041	132,960	139,822
<u>\$ 27,539,347</u>	<u>\$ 32,534,691</u>	<u>\$ 35,052,237</u>	<u>\$ 7,523,947</u>	<u>\$ 7,463,110</u>	<u>\$ 5,112,482</u>

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

	2018	2017	2016	2015
Revenues				
Taxes	\$ 15,085,439	\$ 20,354,439	\$ 28,767,237	\$ 27,595,644
Intergovernmental revenues	18,792,338	30,554,608	27,364,964	16,001,340
Charges for services	116,135	146,181	152,303	56,003
Investment income	69,428	45,051	53,275	70,240
Miscellaneous	247,609	260,627	104,826	211,293
Public contributions	-	-	-	-
Repayment to State Foundation	-	-	-	-
Recapture tax payment	-	-	(1,598,040)	(54,890)
Total revenues	34,310,949	51,360,906	54,844,565	43,879,630
Expenditures				
Instruction	15,059,448	15,995,257	15,870,771	15,853,143
Support services	14,893,364	21,208,310	21,668,230	16,117,905
Facilities acquisition and construction	3,726,109	19,635,336	23,386,282	12,076,957
Debt service				
Principal	1,689,519	1,621,754	1,586,120	1,560,503
Interest	863,472	900,584	982,662	997,261
Total expenditures	36,231,912	59,361,241	63,494,065	46,605,769
Excess (deficiency) of revenues over expenditures	(1,920,963)	(8,000,335)	(8,649,500)	(2,726,139)
Other financing sources (uses)				
Transfers in	97,378	1,034,296	200,000	172,343
Transfers out	(497,378)	(1,600,000)	(550,000)	(622,343)
Payments to other governmental units	(300,000)	-	-	-
Insurance recovery	-	-	110,698	725,250
Proceeds from sale of assets	74,362	195,645	-	184,122
Proceeds from bond issuance	-	-	-	-
Proceeds from bond premium	-	-	-	-
Proceeds from lease purchase obligations	-	705,004	-	511,698
Total other financing sources (uses)	(625,638)	334,945	(239,302)	971,070
Net changes in fund balances	(2,546,601)	(7,665,390)	(8,888,802)	(1,755,069)
Fund balance				
Beginning of year	13,010,087	20,675,477	29,564,279	31,319,348
Prior period adjustment	-	-	-	-
Beginning of year, as restated	13,010,087	20,675,477	29,564,279	31,319,348
End of year	\$ 10,463,486	\$ 13,010,087	\$ 20,675,477	\$ 29,564,279

2014	2013	2012	2011	2010	2009
\$ 27,380,134	\$ 32,463,713	\$ 32,090,098	\$ 26,453,598	\$ 43,720,800	\$ 32,681,790
6,626,215	6,717,793	6,438,873	18,957,325	17,760,655	5,915,332
83,668	47,078	403,431	390,845	416,481	460,550
75,073	30,393	41,509	53,078	100,900	118,149
216,832	132,543	483,136	29,844	22,032	20,683
-	-	145,000	5,000	-	-
-	-	-	(29,924)	-	(54,878)
(1,449,547)	(5,217,195)	(5,268,576)	(708,299)	(17,259,281)	(8,135,913)
32,932,375	34,174,325	34,333,471	45,151,467	44,761,587	31,005,713
15,837,872	16,574,141	17,972,732	17,404,217	15,956,965	15,192,569
19,592,496	13,924,126	15,825,743	14,236,773	13,581,537	14,051,794
1,655,969	652,322	999,401	12,630,260	12,856,190	931,154
1,232,969	743,756	268,442	154,883	152,192	199,948
985,190	1,051,355	51,462	26,071	28,612	17,102
39,304,496	32,945,700	35,117,780	44,452,204	42,575,496	30,392,567
(6,372,121)	1,228,625	(784,309)	699,263	2,186,091	613,146
62,555	931,578	188,059	81,547	1,100,000	1,600,000
(341,259)	(1,181,578)	(338,059)	(171,547)	(1,180,000)	(1,640,000)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	28,519	-	-	-
-	-	26,500,000	-	-	-
-	-	1,664,073	-	-	-
255,856	-	542,638	37,236	466,860	320,288
(22,848)	(250,000)	28,585,230	(52,764)	386,860	280,288
(6,394,969)	978,625	27,800,921	646,499	2,572,951	893,434
37,714,317	40,346,698	12,545,777	11,899,278	9,326,327	8,432,893
-	(3,611,006)	-	-	-	-
37,714,317	36,735,692	12,545,777	11,899,278	9,326,327	8,432,893
\$ 31,319,348	\$ 37,714,317	\$ 40,346,698	\$ 12,545,777	\$ 11,899,278	\$ 9,326,327

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

Year	Estimated Population	Per Capita Personal Income	Percent Growth Personal Income	Total County Estimated Personal Income (1)	10 year Percent change in Total Personal Income
2003	15,240	27,847	6.6	424,393	6.5
2004	15,236	29,178	4.8	444,563	4.8
2005	15,077	32,854	12.6	495,338	11.4
2006	15,136	36,836	12.1	557,544	12.6
2007	15,494	39,468	7.1	611,521	9.7
2008	15,658	43,168	9.4	675,917	10.5
2009	15,977	36,881	(17.0)	589,253	(14.7)
2010	15,849	37,972	(3.0)	601,356	(2.1)
2011	15,848	42,899	13.0	678,841	12.9
2012	15,732	45,004	4.9	705,710	4.0
2013	15,861	45,867	2.0	724,654	2.7
2014	15,907	48,405	4.6	766,201	5.7
2015	15,645	49,672	3.7	772,603	0.8
2016	15,559	49,787	1.0	774,635	(0.6)
2017	15,618	49,195	1.0	768,328	0.8
2018	*	*	*	*	*

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

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

* Information not available

CARBON COUNTY SCHOOL DISTRICT #1
CAPITAL ASSET FACILITIES INFORMATION

As of June 30, 2018
(Unaudited)

Building	Year of Original Construction	Square Footage	Enrollment 10/2016	Average Age of Building (in years)
Elementary Schools				
Sinclair	1936	10,855	-	82
Rawlins Elementary K-1 (Highland Hills)	1982	36,879	283	36
Rawlins Elementary K2-5	2011	94,795	547	7
Total		<u>142,529</u>		
Middle Schools				
Rawlins Middle School	1978	97,523	339	40
Total		<u>97,523</u>		
High Schools				
Rawlins High School	1957/2016*	138,884	432	60 / 2*
Total		<u>138,884</u>		
K-12 Building				
Little Snake River	1972	59,004	188	46
Total		<u>59,004</u>		
Other Buildings				
Administrative Office and COOP High School	1950	28,369	40	68
Custodian Storage	1957	3,864		61
Maintenance Facility	1978 / 2002	8,189		40 / 16
Stadium	1982	23,659		36
Bus Garage Baggs	1980	4,580		38
Track Storage Baggs	1987	1,772		31
Higher Education Building	2014	27,849		4
After School Building	2015	7,256		3
Bus Garage Rawlins	2017	16,686		2
Teacherages - Baggs	2017	5,600		1
Modular	2017	1,440		1
Total		<u>129,264</u>		

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

Year Ended June 30	Students (1)	General Fund Operational Costs	General Fund Per Student Operational Costs	Nutritional Services Program	
				Breakfast	
				Paid	Free or Reduced
2009	1787	22,350,690	12,507	7,566	11,173
2010	1803	22,829,775	12,662	7,588	18,217
2011	1822	24,844,290	13,636	5,338	11,056
2012	1814	25,855,834	14,253	9,784	22,768
2013	1866	26,168,909	14,024	12,813	25,199
2014	1876	26,196,883	13,964	8,229	20,586
2015	1832	25,585,948	13,966	6,946	14,974
2016	1899	25,471,244	13,413	9,588	20,407
2017	1831	26,802,902	14,638	9,919	24,090
2018	1742	25,961,187	14,903	12,729	25,639

(1) Fall Enrollment

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

Nutritional Services Program

Lunch

Paid	Free or Reduced	Total Meals	Students Free and Reduced	Percent of Total Enrollment
102,472	79,006	200,217	550	31
94,968	90,379	211,152	718	40
93,498	90,428	200,320	680	37
83,689	75,581	191,822	636	35
81,914	72,920	192,858	586	31
73,837	75,474	178,126	635	34
65,903	66,054	153,877	712	39
64,362	74,313	168,670	733	39
56,001	64,292	154,302	743	41
59,034	61,108	158,510	617	36

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

Student Transportation

Year Ended June 30	Total Buses	Total Miles	Students Transported Daily	Percent of Students (ADM) Transported
2009	39	234,510	741	41.06
2010	39	289,749	676	37.74
2011	39	309,793	791	43.29
2012	39	317,749	930	51.90
2013	39	310,936	936	51.03
2014	39	273,157	965	52.07
2015	39	223,593	743	41.07
2016	39	298,122	845	45.81
2017	39	300,242	994	54.29
2018	39	300,242	793	45.52

(1) Fall Enrollment

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

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

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

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

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

CARBON COUNTY SCHOOL DISTRICT #1
TAX COLLECTIONS - CARBON COUNTY
TAX YEARS 2009 - 2018
(Unaudited)

<u>Tax Year</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections</u>	<u>Percentage of Taxes Collected</u>
2018	*	*	*
2017	25,704,254	25,703,039	100.00%
2016	17,403,514	9,448,875	54.29%
2015	25,343,267	10,967,259	43.27%
2014	22,425,463	22,004,298	98.12%
2013	21,972,406	21,934,482	99.83%
2012	26,557,789	26,533,602	99.91%
2011	25,845,705	25,829,452	99.94%
2010	21,349,839	21,345,287	99.98%
2009	35,849,159	35,847,497	100.00%

* Information not available

Source: Carbon County Treasurer

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

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

TAX YEAR	AS LEVIED	COLLECTIONS & ADJUSTMENTS	BALANCE UNPAID	%	ASSESSED VALUATION
2017					49,904,813
25 Mill	1,247,558.72	1,254,567.84	(7,009.12)	100.5618%	
Recreation	49,902.02	52,066.01	(2,163.99)	104.3365%	
Adult Ed	74,853.50	76,014.24	(1,160.74)	101.5507%	
BOCES	49,902.74	49,286.38	616.36	98.7649%	
6 Mill (SD1C Share)	10,320.88	10,260.69	60.19	99.4168%	
	<u>1,432,537.86</u>	<u>1,442,195.16</u>	<u>(9,657.30)</u>	100.6741%	
2016					69,638,832
25 Mill	1,740,911.94	1,733,408.38	7,503.56	99.5690%	
Recreation	69,636.12	69,336.19	299.93	99.5693%	
Adult Ed	104,454.70	104,004.50	450.20	99.5690%	
BOCES	69,636.84	69,336.57	300.27	99.5688%	
6 Mill (SD1C Share)	8,260.94	4,323.44	3,937.50	52.3359%	
	<u>1,992,900.54</u>	<u>1,980,409.08</u>	<u>12,491.46</u>	99.3732%	
2015					139,588,617
25 Mill	3,489,715.43	3,487,134.32	2,581.11	99.9260%	
Recreation	139,589.00	139,358.18	230.82	99.8346%	
Adult Ed	209,383.00	209,036.59	346.41	99.8346%	
BOCES	139,588.00	139,356.89	231.11	99.8344%	
Bond Redemption	411,786.00	411,786.00	-	100.0000%	
6 Mill (SD1C Share)	28,101.59	18,187.86	9,913.73	64.7218%	
	<u>4,418,163.02</u>	<u>4,404,859.84</u>	<u>13,303.18</u>	99.6989%	
2014					159,019,562
25 Mill	3,975,489.00	3,975,134.41	354.59	99.9911%	
Recreation	159,020.00	159,277.01	(207.01)	100.1302%	
Adult Ed	238,529.00	238,839.77	(310.77)	100.1303%	
BOCES	159,020.00	159,244.88	(224.88)	100.1414%	
Bond Redemption	389,598.00	390,147.27	(549.27)	100.1410%	
6 Mill (SD1C Share)	26,849.86	27,127.80	(277.94)	101.0352%	
	<u>4,948,505.86</u>	<u>4,949,771.14</u>	<u>(1,215.28)</u>	100.0246%	
2013					159,019,562
25 Mill	4,327,942.00	4,327,902.51	39.49	99.9991%	
Recreation	173,118.00	173,115.78	2.22	99.9987%	
Adult Ed	259,677.00	259,674.11	2.89	99.9989%	
BOCES	173,118.00	173,116.53	1.47	99.9992%	
Bond Redemption	424,138.00	424,134.11	3.89	99.9991%	
6 Mill (SD1C Share)	24,042.68	61.01	23,981.67	0.2538%	
	<u>5,382,035.68</u>	<u>5,358,004.05</u>	<u>24,031.63</u>	99.5535%	

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

Year Ended June 30	State School Foundation	Mandatory County	Operating	Bond and Interest	BOCHES	Vocational and Adult
2009	12.000	6.000	25.000	0.000	1.000	1.500
2010	12.000	6.000	25.000	0.000	1.000	1.500
2011	12.000	6.000	25.000	0.000	1.000	1.500
2012	12.000	6.000	25.000	2.450	1.000	1.500
2013	12.000	6.000	25.000	2.450	1.000	1.500
2014	12.000	6.000	25.000	2.450	1.000	1.500
2015	12.000	6.000	25.000	2.950	1.000	1.500
2016	12.000	6.000	25.000	4.200	1.000	1.500
2017	12.000	6.000	25.000	4.200	1.000	1.500
2018	12.000	6.000	25.000	4.200	1.000	1.500

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

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

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

Year Ended June 30	Assessed Valuation	Debt	Amount Approved	Bonds Issued	Refunding Issued	Bonds Refunded
2009	\$ 976,170,512	\$ -	\$ -	\$ -	\$ -	\$ -
2010	1,267,346,637	-	-	-	-	-
2011	766,843,510	-	-	-	-	-
2012	930,128,120	26,500,000	26,500,000	26,500,000	-	-
2013	947,268,208	26,025,000	-	-	-	-
2014	796,683,212	25,055,000	-	-	-	-
2015	795,764,592	23,745,000	-	-	-	-
2016	850,836,909	22,420,000	-	-	-	-
2017	536,484,666	21,080,000	-	-	-	-
2018	486,984,085	19,685,000	-	-	-	-

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

District can be bonded to 10% of assessed valuation.

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

Principal Paid	Interest Paid	Debt 6/30	% of Capacity Obligated (1)
\$ -	\$ -	\$ -	0%
-	-	-	0%
-	-	-	0%
-	-	26,500,000	2.85%
475,000	972,473	26,025,000	2.75%
970,000	931,199	25,055,000	3.14%
1,310,000	902,099	23,745,000	2.98%
1,325,000	888,999	22,420,000	2.64%
1,340,000	872,436	21,080,000	3.93%
1,395,000	818,836	19,685,000	4.04%

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

Year Ended June 30	Assessed Valuation	Percent Increase (Decrease)
1999	\$ 319,890,530	0.06
2000	251,745,345	-0.21
2001	290,730,277	0.15
2002	538,717,857	0.85
2003	502,358,573	-0.07
2004	361,253,785	-0.28
2005	549,273,641	0.52
2006	687,871,624	0.25
2007	951,619,394	0.38
2008	956,032,175	0.00
2009	976,170,512	0.02
2010	1,267,346,637	0.30
2011	766,843,510	-0.39
2012	930,128,120	0.21
2013	947,268,208	0.02
2014	796,683,212	-0.16
2015	795,764,592	0.00
2016	850,836,909	0.07
2017	536,484,666	-0.37
2018	486,984,085	-0.09

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

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

Year Ended June 30	Agricultural Lands & Improvements	Commercial Lands & Improvements	Residential Lands & Improvements	Total Real Property	Mineral Production	
					Coal	Natural Gas
2009	\$ 8,689,890	\$ 17,647,288	\$ 80,585,225	\$ 106,922,403	\$ 6,749,862	\$ 744,469,866
2010	9,491,328	18,859,877	79,638,056	107,989,261	6,987,193	368,885,934
2011	10,270,109	19,760,603	81,412,747	111,443,459	2,352,305	482,176,186
2012	10,722,162	26,433,356	83,837,304	120,992,822	*	434,012,189
2013	11,544,187	20,765,727	88,603,820	120,913,734	*	287,277,378
2014	14,003,633	21,094,452	91,848,038	126,946,123	380,560	*
2015	14,672,573	22,355,786	95,348,815	132,377,174	317,845	*
2016	17,820,918	24,801,460	98,183,993	140,806,371	-	175,772,285
2017	15,123,443	31,459,560	103,373,597	149,956,600	-	145,402,089
2018	14,880,698	33,217,369	105,157,147	153,255,214	-	186,746,802

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

* Information not available.

Mineral Production

Oil	Miscellaneous Minerals	Total Minerals
\$ 117,613,768	\$ 1,978,534	\$ 870,812,030
81,478,110	2,236,137	459,587,374
96,743,708	1,866,732	583,138,931
96,736,758	1,100,664	531,849,611
104,623,532	2,169,068	394,069,978
*	*	*
*	*	*
108,524,465	1,105,566	285,402,316
42,097,378	1,083,088	188,582,555
60,904,217	1,035,837	248,686,856

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

Year as of 10/1	Students (1)	Percent Increase (Decrease)	Year as of 10/1	Students (1)	Percent Increase (Decrease)
1999	1965	(0.01)	2009	1803	0.01
2000	1946	(0.01)	2010	1822	0.01
2001	1923	(0.01)	2011	1814	0.00
2002	1778	(0.08)	2012	1866	0.03
2003	1728	(0.03)	2013	1876	0.01
2004	1664	(0.04)	2014	1832	(0.02)
2005	1727	0.04	2015	1889	0.03
2006	1753	0.02	2016	1832	(0.03)
2007	1753	0.00	2017	1772	(0.03)
2008	1787	0.02	2018	1738	(0.02)

(1) Fall Enrollment

Source: Wyoming Department of Education

AVERAGE STUDENT TO TEACHER RATIO
 LAST 10 YEARS
 (Unaudited)

Year as of 10/1	Students (1)	Full-Time Equivalent Teaching Staff	Ratio of Students to Teaching Staff
2009	1803	153	11.78 : 1
2010	1822	157	11.61 : 1
2011	1814	154	11.78 : 1
2012	1866	160	11.66 : 1
2013	1876	160	11.73 : 1
2014	1832	158	11.59 : 1
2015	1889	153	12.35 : 1
2016	1832	153	11.97 : 1
2017	1772	146	12.14 : 1
2018	1738	151	11.51 : 1

(1) Fall Enrollment

Source: Wyoming Department of Education

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

Year Ended June 30	ADM	Valuation \$ per ADM
2009	1805	702,310
2010	1791	428,148
2011	1827	509,891
2012	1792	528,609
2013	1834	434,397
2014	1861	427,601
2015	1835	463,671
2016	1864	287,814
2017	1837	265,097
2018	1795	270,666

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

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

Year as of 10/1	Teachers	Instructional Aids	Instructional Support Staff	General Support Staff	Total FTE
2009	156.90	52.43	30.49	83.86	323.68
2010	154.40	57.38	35.56	85.26	332.60
2011	159.72	64.87	29.55	92.23	346.37
2012	160.37	69.20	25.47	92.18	347.22
2013	157.97	68.38	24.88	93.91	345.14
2014	152.69	56.73	20.05	94.99	324.46
2015	152.60	57.01	18.98	94.12	322.71
2016	145.50	56.13	19.09	90.88	311.60
2017	131.50	64.30	43.60	104.00	343.40
2018	151.50	60.30	20.60	106.00	338.40

Source: Wyoming Department of Education

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SINGLE AUDIT SECTION

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2018

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		-	\$ 60,927
National School Lunch Program	10.555		-	243,718
National School Lunch Program - USDA Commodities	10.555	173WY312N1099/ 183WY312N1099	-	46,872
Summer Food Service Program for Children	10.559		-	5,316
Total Child Nutrition Cluster				<u>356,833</u>
Total U.S. Department of Agriculture				<u>356,833</u>
U.S. Department of Education				
Passed Through Wyoming Department of Education				
Title I Grants to Local Educational Agencies	84.010A	1704017T1A00	-	162,060
Title I Grants to Local Educational Agencies	84.010A	1804018T1A00	-	551,724
Title I Grants to Local Educational Agencies	84.010A	1604154A1A0	-	21,531
Title I Grants to Local Educational Agencies	84.010A	17040173A1A0	-	39,257
Total Title I Grants to Local Educational Agencies				<u>774,572</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027A	1704017T6100	-	29,518
Special Education - Grants to States	84.027A	1804018T6100	-	445,605
				<u>475,123</u>
Special Education - Preschool Grants	84.173A	1604016T6900	-	49
Special Education - Preschool Grants	84.173A	1704017T6900	-	5,511
Special Education - Preschool Grants	84.173A	1804018T6900	-	962
				<u>6,522</u>
Total Special Education Cluster (IDEA)				<u>481,645</u>
Career and Technical Education - Basic Grants to States	84.048A	1704017PS00	-	752
Career and Technical Education - Basic Grants to States	84.048A	1804017PS00	-	48,769
Total Career and Technical Education - Basic Grants to States				<u>49,521</u>
English Language Acquisition State Grants	84.365A	1604016T3E00	-	2,659
English Language Acquisition State Grants	84.365A	1704017T3E00	-	13,400
English Language Acquisition State Grants	84.365A	1804018T3E00	-	3,488
English Language Acquisition State Grants	84.365A	18040118T3100	-	1,707
Total English Language Acquisition State Grants				<u>21,254</u>
Supporting Effective Instruction State Grant	84.367A	1504016T2A00	-	19,767
Supporting Effective Instruction State Grant	84.367A	1704017T2A00	-	218,181
Supporting Effective Instruction State Grant	84.367A	1804018T2A00	-	9,531
Total Supporting Effective Instruction State Grant				<u>247,479</u>
Student Support and Academic Enrichment Program	84.424A	18040118T4A00		28,227
Total Student Support and Academic Enrichment				<u>28,227</u>
Total U.S. Department of Education				<u>1,602,698</u>
Total Expenditures of Federal Awards				<u>\$ 1,959,531</u>

See notes to the schedule of expenditures of federal awards

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2018

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards, (“the Schedule”) includes the federal grant activity of Carbon County School District #1 under programs of the federal government for the year ended June 30, 2018. 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.

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements, and have issued our report thereon dated December 14, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002, that we consider to be material weaknesses.



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92



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Compliance and Other Matters

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

Carbon County School District #1's Response to Findings

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

Purpose of this Report

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 14, 2018

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal Program

We have audited Carbon County School District #1's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Carbon County School District #1's major federal program for the year ended June 30, 2018. Carbon County School District #1's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance 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.



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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 2018-003 for Eligibility. Compliance with such requirements is necessary, in our opinion, for Carbon County School District #1 to comply with the requirements applicable to that program.

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Carbon County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.010 – Title I Grants to Local Education Agencies for the year ended June 30, 2018.

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, 2018.

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 and corrective action plan. Carbon County School District #1’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2018-003 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 2018-004 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 and corrective action plan. Carbon County School District #1's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
December 14, 2018

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CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2018

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? Yes

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes

Significant deficiencies identified? 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, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weakness in Internal Control

2018-001

Criteria

The Government Accountability Office requires management to be responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP). 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.

Condition

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

Cause

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

Effect or potential effect

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)

Material Weakness in Internal Control

2018-002

Criteria

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

Condition

The capital asset schedule prepared for financial statement reporting contained a number of errors. The District personnel overlooked several capital asset balances which were significant to the financial statements. As part of the audit, significant adjustments, as described below, were proposed to prepare the financial statements in accordance with GAAP.

1. There were six assets that were not capitalized by the District. The cost of these assets was approximately \$64,977,000.
2. Assets that were constructed by the District were added to the capital asset summary at the contract value rather than the District's cost of constructing the assets. The difference in the cost was approximately \$6,071,000.
3. There were 35 assets associated with the old high school that were not disposed of by the District. The cost and accumulated depreciation of these assets was approximately \$4,561,000 and \$3,350,000, respectively.
4. An additional year of depreciation was inadvertently included in the beginning accumulated depreciation balances for 21 assets. The beginning accumulated depreciation balance was incorrectly calculated by approximately \$197,000.

Effect or potential effect

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

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
Year Ended June 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2018-003

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 Numbers: 1704017T1A00

1804018T1A00

1604154A1A0

17040173AIA0

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. 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 grants under audit, the District used eligibility counts as of 10/1/2015 and 6/30/2017 for the determination of the school attendance areas eligible to participate.

Cause

During fiscal years 2016 and 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 recently hired 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, 2018

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

2018-003 (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, 2017 audit, 2017-003.

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

The District 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, 2018

2018-004

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: 173WY312N1099/183WY312N1099
173WY379L1603/183WY379L1603

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 were incorrect.

Cause

The claims for reimbursement were submitted without a review by another member of management.

Effect or potential effect

The District was potentially reimbursed inaccurately for free, reduced and paid meals based on the erroneous reporting.

Questioned Costs

\$2,467

Context

During the audit, 11 out of 12 monthly claims for reimbursement were selected for testing. The number of meals served were incorrectly reported on 7 of the 11 monthly claims for reimbursement. The errors ranged from 1 to 654 meals. The difference in meals served varied between breakfast and lunch and free, reduced and paid meals.

Identification of a Repeat Finding

This is not a repeat finding.

Recommendation

We recommend the claims for reimbursement are reviewed for accuracy by a member of management before being submitted to the Wyoming Department of Education.

Views of Responsible Officials and Planned Corrective Actions

The District will implement 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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding: 2017-001

Status

The District's Business Manager was unable to attend adequate training to enhance her understanding of governmental accounting standards during the fiscal year. Additionally, the Business Manager resigned from the District in November 2018, prior to the financial statements being completed.

Finding: 2017-002

Status

Due to time constraints, the District was unable to obtain adequate training for the staff responsible for the capital asset schedules. The Business Manager was unsuccessful at providing an adequate review of the capital asset database. Please refer to the District's corrective action plan.

Finding: 2017-003

Status

The food service director that was recently hired implemented an effective filing system for free/reduced applications starting in fiscal year 2018. However, the applications that were subject to testing for this grant were obtained during the prior fiscal year before the new system was implemented.

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Corrective Action Plan

Finding 2018-001

Name of Contact Person – Margaret Quintrall, Interim Business Manager

Corrective Action

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

Proposed Completion Date – The Business Office will begin implementation of the above procedure in January 2019.

Finding 2018-002

Name of Contact Person – Margaret Quintrall, Interim Business Manager

Corrective Action

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

Proposed Completion Date – The Business Office will begin implementation of the above procedure in January 2019.

Finding 2018-003

Name of Contact Person – Heather Mortensen, Food Service Director

Corrective Action

The Food Service Director has developed an effective filing system for free/reduced applications. 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.

Carbon County School District One

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Corrective Action Plan (Continued)

Finding 2018-004

Name of Contact Person – Heather Mortensen, Food Service Director

Corrective Action

The Food Service Director will provide 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 will implement the above procedures immediately.

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