

CARBON COUNTY SCHOOL DISTRICT #1
FINANCIAL AND COMPLIANCE REPORT
JUNE 30, 2020

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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, 2020, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Carbon County School District #1, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2020 on our consideration of Carbon County School District #1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carbon County School District #1's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Carbon County School District #1's internal control over financial reporting and compliance.

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
November 11, 2020

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(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, 2020. We encourage readers to consider the information presented here in conjunction with the District's financial statements, notes to the financial statements, and various supplementary information which follow this section.

Financial Highlights

The District's total combined net position was \$92,884,893 at June 30, 2020 which compares to \$93,167,184 at the beginning of the fiscal year.

During the year, the District's total governmental activities expenses were \$1,430,926 more than the \$32,863,863 generated in taxes and other revenues for governmental activities.

The District had \$34,294,789 in expenses related to governmental activities; of which \$3,823,673 of these expenses were offset by program specific charges for services or grants and contributions.

The District decreased its outstanding long-term debt by \$1,778,780, excluding the net pension liability. The outstanding long-term debt includes \$17,597,843 on a 15 year bond for construction, \$409,177 in accrued compensated absences, \$82,094 in construction retainage payable and \$131,775 in lease purchase obligations. The District participates in the Public Employees' Pension Plan, a statewide cost-sharing multiple-employer public employee retirement plan administered by the State of Wyoming Retirement System. The District recognized a net pension liability of \$21,303,465. 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, and other supplementary information, in addition to the basic financial statements themselves.

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

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference 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, 2020

(Unaudited)

Government-wide financial statements (Continued)

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

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

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

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

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

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

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

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

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

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(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, 2020:

Condensed Statements of Net Position

	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020
	Governmental Activities		Business-Type Activities		Total	
Current and other assets	\$ 39,121,279	\$ 37,563,847	\$ 442,671	\$ 711,028	\$ 39,563,950	\$ 38,274,875
Capital assets	116,561,940	113,995,155	-	-	116,561,940	113,995,155
Total assets	155,683,219	151,559,002	442,671	711,028	156,125,890	152,270,030
Deferred outflow of resources	9,300,536	6,929,402	293,842	200,829	9,594,378	7,130,231
Current liabilities	3,487,521	3,216,391	45,650	71,987	3,533,171	3,288,378
Noncurrent liabilities	18,021,218	16,239,019	-	-	18,021,218	16,239,019
Net pension liability	26,250,387	20,919,388	588,700	384,077	26,839,087	21,303,465
Total liabilities	47,759,126	40,374,798	634,350	456,064	48,393,476	40,830,862
Deferred inflows of resources	24,062,503	25,418,139	97,105	266,367	24,159,608	25,684,506
Net investment in capital assets	98,794,972	97,031,010	-	-	98,794,972	97,031,010
Restricted						
State Statutes	5,026,184	4,450,722	-	-	5,026,184	4,450,722
Bond indenture	3,270,475	3,509,295	-	-	3,270,475	3,509,295
Donors	83,636	13,496	-	-	83,636	13,496
Unrestricted	(14,013,141)	(12,309,056)	5,058	189,426	(14,008,083)	(12,119,630)
Total net position	\$ 93,162,126	\$ 92,695,467	\$ 5,058	\$ 189,426	\$ 93,167,184	\$ 92,884,893

The net investment in capital assets is \$97,031,010, which is the net book value of capital assets less related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. Usually, an additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. Recording the net pension liability of \$21,303,465 results in a negative unrestricted net position of \$12,119,630. Without the pension liability there is a balance of unrestricted net position of \$9,183,835 that may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant operational resources available to meet financial obligations next year, but rather the result of having long-term commitments that are less than currently available resources.

For governmental activities, the District's total net position decreased by \$466,659 during the year ended June 30, 2020. The total cost of all governmental activities this year was \$34,294,789 and of the business-type activity was \$1,623,232. The amount that taxpayers paid for these activities through property taxes was \$19,021,357.

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

Changes in Net Position

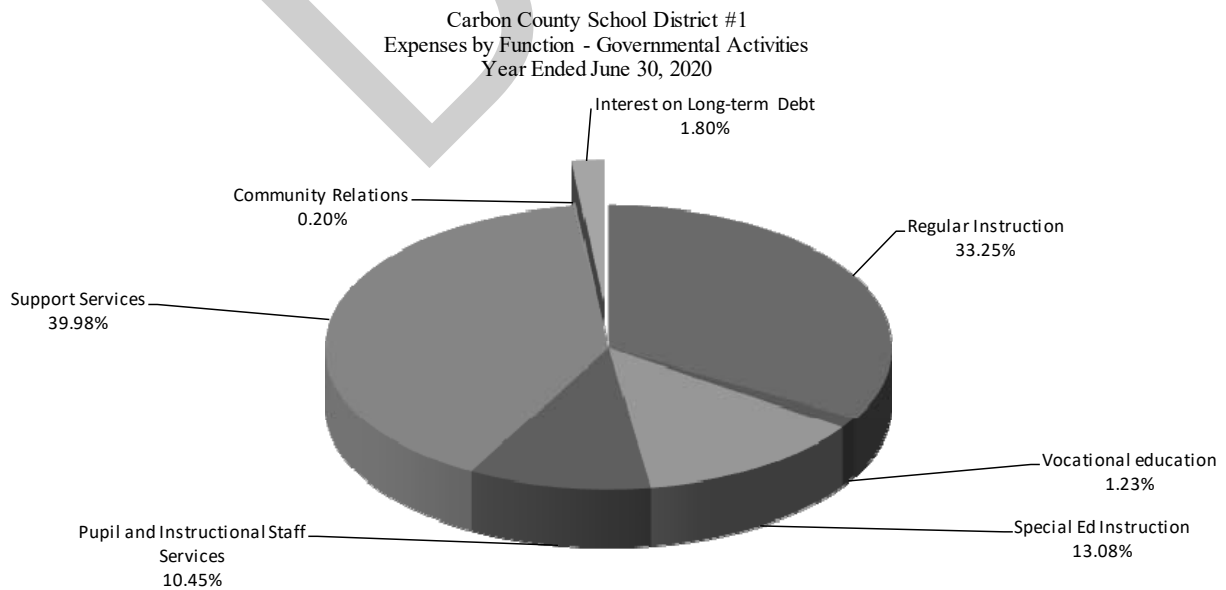
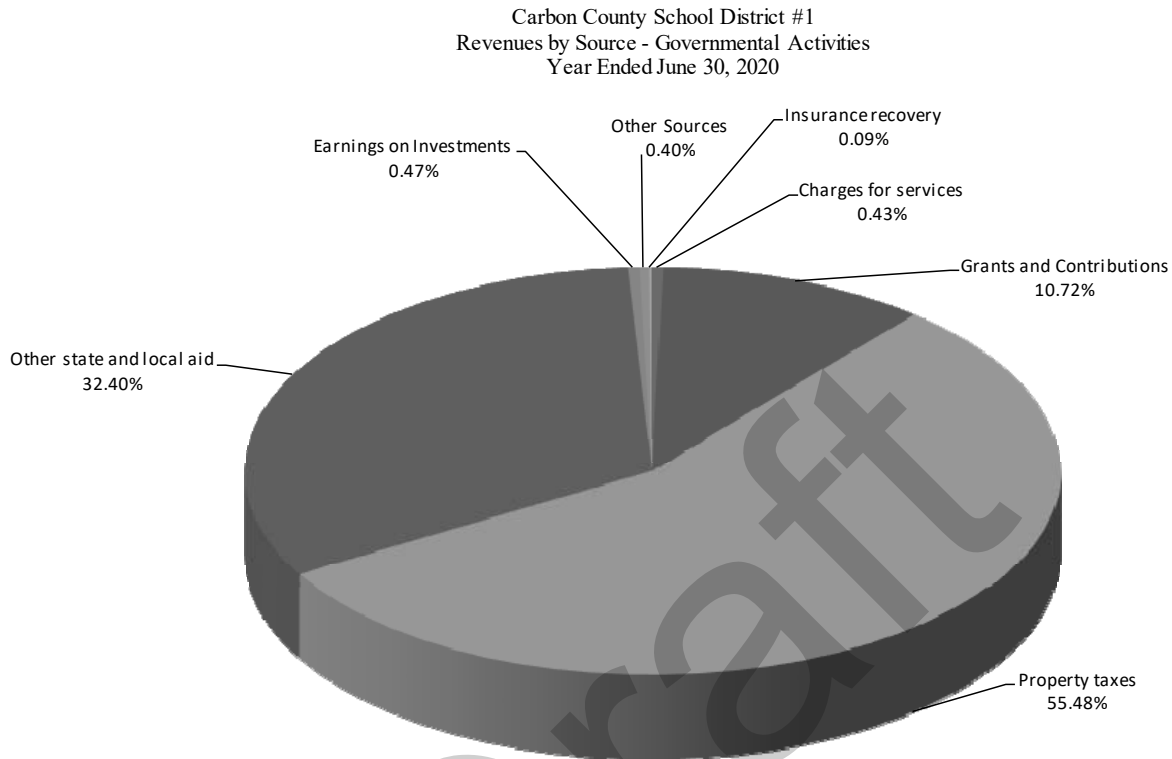
	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020
	Governmental-Type Activities		Business-Type Activities		Total	
Revenues						
Program revenues						
Charges for services	\$ 138,063	\$ 148,671	\$ 310,765	\$ 235,761	\$ 448,828	\$ 384,432
Operating grants and contributions	2,187,844	2,133,571	689,717	936,110	2,877,561	3,069,681
Capital grants	1,582,806	1,541,431	-	-	1,582,806	1,541,431
General revenues						
Taxes	18,377,948	19,021,357	-	-	18,377,948	19,021,357
Investments	224,727	162,682	618	1,461	225,345	164,143
Gain (loss) on disposal of capital assets	(978,106)	(1,420,932)	-	-	(978,106)	(1,420,932)
Other state and local aid	12,738,332	11,107,982	-	-	12,738,332	11,107,982
Miscellaneous	150,874	138,573	22,991	34,268	173,865	172,841
Insurance recovery	-	30,528	-	-	-	30,528
Total revenues	34,422,488	32,863,863	1,024,091	1,207,600	35,446,579	34,071,463
Expenses						
Regular instruction	11,342,030	11,403,138	-	-	11,342,030	11,403,138
Special ed instruction	4,385,014	4,486,612	-	-	4,385,014	4,486,612
Vocational education	292,472	422,458	-	-	292,472	422,458
Pupil services	2,683,744	2,710,480	-	-	2,683,744	2,710,480
Instructional staff services	953,969	874,906	-	-	953,969	874,906
General admin services	315,111	200,997	-	-	315,111	200,997
School admin services	1,848,069	1,851,030	-	-	1,848,069	1,851,030
Business services	701,506	676,834	-	-	701,506	676,834
O&M of plant services	6,512,527	6,637,923	-	-	6,512,527	6,637,923
Pupil transportation	2,221,129	2,210,455	-	-	2,221,129	2,210,455
Central services	2,189,517	1,987,942	-	-	2,189,517	1,987,942
Other support services	229,181	147,372	-	-	229,181	147,372
Community relations	-	67,926	-	-	-	67,926
Interest on long-term debt	684,042	616,716	-	-	684,042	616,716
Food service fund	-	-	1,049,876	1,074,943	1,049,876	1,074,943
Aquatic center fund	-	-	554,991	548,289	554,991	548,289
Total expenses	34,358,311	34,294,789	1,604,867	1,623,232	35,963,178	35,918,021
Excess (deficiency) of revenues over expenditures	64,177	(1,430,926)	(580,776)	(415,632)	(516,599)	(1,846,558)
Transfers	(727,505)	(600,000)	727,505	600,000	-	-
Change in net position	(663,328)	(2,030,926)	146,729	184,368	(516,599)	(1,846,558)
Net position - beginning of year	93,825,454	93,162,126	(141,671)	5,058	93,683,783	93,167,184
Prior period adjustment	-	1,564,267	-	-	-	1,564,267
Net position - beginning of year, as restated	93,825,454	94,726,393	(141,671)	5,058	93,683,783	94,731,451
Ending net position	\$ 93,162,126	\$ 92,695,467	\$ 5,058	\$ 189,426	\$ 93,167,184	\$ 92,884,893

CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)



CARBON COUNTY SCHOOL DISTRICT #1

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2020

(Unaudited)

Financial Analysis of the District's Funds

Governmental Funds

Revenues

General fund revenues, decreased to \$26,276,234 in FY 2020 from \$30,363,337 in FY 2019 due to a decrease in tax revenues.

Enterprise Funds: Food Service Fund and Aquatic Center Fund

The total food service fund revenues for FY 2020 were \$772,407 an increase of \$110,137 from the prior year. The expenses incurred to provide this program increased by \$25,067 from the prior year. The food service fund had a net loss before transfers of \$302,536 in FY 2020, compared to a net loss before transfers of \$387,606 in FY 2019. The aquatic center fund for FY 2020 had revenue of \$435,193 with expenses incurred to provide this program of \$548,289.

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2020 is \$113,995,155 (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)

	2018-2019	2019-2020
Land	\$ 1,019,694	\$ 1,019,694
Construction in progress	1,476,984	1,168,177
Buildings and improvements	112,205,600	110,149,541
Vehicles	1,321,150	1,127,988
Furniture and equipment	538,512	529,755
Total	<u>\$116,561,940</u>	<u>\$113,995,155</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, 2020

(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, 2020:

Debt outstanding at July 1, 2019	\$ 19,999,669
New debt issued	491,271
Debt retired	2,270,051
Debt outstanding at June 30, 2020	<u>\$ 18,220,889</u>

Budgetary Information

During the fiscal year ended June 30, 2020, the District had no budget amendments.

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.

The COVID-19 pandemic has impacted and could further impact the District's operations. The extent to which the COVID-19 pandemic impacts the District's results of operations and financial condition will depend on future developments, which are uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic. Even after the COVID-19 pandemic has subsided, the District's may continue to experience impacts to its operations as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Board cannot reasonably estimate the impact at this time.

Request for Information

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

BASIC FINANCIAL STATEMENTS

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF NET POSITION

June 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	BOCHES	Recreation Board
ASSETS					
Current assets					
Cash and cash equivalents	\$ 9,698,642	\$ 542,353	\$ 10,240,995	\$ 767,549	\$ 942,873
Cash held by fiscal agent	3,778,545	-	3,778,545	85,097	23,378
Restricted cash - bond proceeds	847,567	-	847,567	-	-
Property taxes receivable	21,871,075	-	21,871,075	1,604,034	641,617
Accounts receivable	-	17,550	17,550	4,458	-
Due from other governments	1,360,964	64,117	1,425,081	-	-
Internal balances	(33,989)	33,989	-	-	-
Prepaid items	32,009	-	32,009	-	-
Inventory	9,034	53,019	62,053	-	-
Non-current assets					
Land	1,019,694	-	1,019,694	165,168	-
Construction in progress	1,168,177	-	1,168,177	-	-
Capital assets, net of accumulated depreciation	111,807,284	-	111,807,284	65,117	-
Total assets	151,559,002	711,028	152,270,030	2,691,423	1,607,868
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan items	6,929,402	200,829	7,130,231	328,747	-
Total deferred outflows of resources	6,929,402	200,829	7,130,231	328,747	-
LIABILITIES					
Current liabilities					
Accounts payable	665,339	8,800	674,139	18,180	-
Accrued salaries payable	579,763	27,235	606,998	15,635	-
Due to others	750	-	750	-	-
Unearned revenue	-	24,621	24,621	-	-
Noncurrent liabilities					
Due within one year	1,970,539	11,331	1,981,870	5,386	-
Due in more than one year	16,239,019	-	16,239,019	29,512	-
Net pension liability	20,919,388	384,077	21,303,465	1,052,856	-
Total liabilities	40,374,798	456,064	40,830,862	1,121,569	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable property tax revenue	17,941,198	-	17,941,198	1,306,845	522,739
Pension plan items	7,476,941	266,367	7,743,308	516,926	-
Total deferred inflows of resources	25,418,139	266,367	25,684,506	1,823,771	522,739
NET POSITION					
Net investment in capital assets	97,031,010	-	97,031,010	159,843	-
Restricted by					
State statutes	4,450,722	-	4,450,722	-	1,085,129
Bond indenture	3,509,295	-	3,509,295	-	-
Donors	13,496	-	13,496	-	-
Unrestricted (deficit)	(12,309,056)	189,426	(12,119,630)	(85,013)	-
Total net position	\$ 92,695,467	\$ 189,426	\$ 92,884,893	\$ 74,830	\$ 1,085,129

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF ACTIVITIES Year Ended June 30, 2020

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular instruction	\$ 11,403,138	\$ 148,671	\$ 1,083,019	\$ -
Special instruction	4,486,612	-	442,653	-
Vocational education	422,458	-	196,380	-
Support services				
Pupil services	2,710,480	-	109,166	-
Instructional staff services	874,906	-	207,556	-
General administration services	200,997	-	92,402	-
School administration services	1,851,030	-	2,395	-
Business services	676,834	-	-	-
Operation and maintenance of plant services	6,637,923	-	-	1,541,431
Pupil transportation services	2,210,455	-	-	-
Central services	1,987,942	-	-	-
Other support services	147,372	-	-	-
Community relations	67,926	-	-	-
Interest on long-term debt	616,716	-	-	-
Total governmental activities	34,294,789	148,671	2,133,571	1,541,431
Business-type activities				
Food service fund	1,074,943	190,900	546,110	-
Aquatic center fund	548,289	44,861	390,000	-
Total business-type activities	1,623,232	235,761	936,110	-
Total primary government	\$ 35,918,021	\$ 384,432	\$ 3,069,681	\$ 1,541,431
Component units				
BOCHES	\$ 1,665,724	\$ 148,864	\$ 16,125	\$ -
Recreation Board	609,361	-	-	-
Total component units	\$ 2,275,085	\$ 148,864	\$ 16,125	\$ -

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

Insurance recovery

Transfers

Special item, loss on disposal of capital assets

Total general revenues, transfers and special item

Change in net position

Net position - beginning of year

Prior period adjustment

Net position - beginning of year, as restated

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
\$ (10,171,448)	\$ -	\$ (10,171,448)	\$ -	\$ -
(4,043,959)	-	(4,043,959)	-	-
(226,078)	-	(226,078)	-	-
(2,601,314)	-	(2,601,314)	-	-
(667,350)	-	(667,350)	-	-
(108,595)	-	(108,595)	-	-
(1,848,635)	-	(1,848,635)	-	-
(676,834)	-	(676,834)	-	-
(5,096,492)	-	(5,096,492)	-	-
(2,210,455)	-	(2,210,455)	-	-
(1,987,942)	-	(1,987,942)	-	-
(147,372)	-	(147,372)	-	-
(67,926)	-	(67,926)	-	-
(616,716)	-	(616,716)	-	-
(30,471,116)	-	(30,471,116)	-	-
-	(337,933)	(337,933)	-	-
-	(113,428)	(113,428)	-	-
-	(451,361)	(451,361)	-	-
(30,471,116)	(451,361)	(30,922,477)	-	-
-	-	-	(1,500,735)	-
-	-	-	-	(609,361)
-	-	-	(1,500,735)	(609,361)
16,718,831	-	16,718,831	-	-
2,302,526	-	2,302,526	-	-
-	-	-	-	649,719
-	-	-	1,617,183	-
11,107,982	-	11,107,982	-	-
162,682	1,461	164,143	6,903	2,707
138,573	34,268	172,841	-	-
30,528	-	30,528	19,125	-
(600,000)	600,000	-	-	-
(1,420,932)	-	(1,420,932)	-	-
28,440,190	635,729	29,075,919	1,643,211	652,426
(2,030,926)	184,368	(1,846,558)	142,476	43,065
93,162,126	5,058	93,167,184	(163,504)	1,003,620
1,564,267	-	1,564,267	95,858	38,444
94,726,393	5,058	94,731,451	(67,646)	1,042,064
\$ 92,695,467	\$ 189,426	\$ 92,884,893	\$ 74,830	\$ 1,085,129

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

June 30, 2020

	General Fund	Grants Fund	Major Maintenance Fund
ASSETS			
Cash and cash equivalents	\$ 4,644,727	\$ 72,150	\$ 1,270,823
Cash held by fiscal agent	1,166,336	-	-
Restricted cash - bond proceeds	-	-	-
Property taxes receivable	19,478,389	-	-
Due from other governments	888,764	472,200	-
Due from other funds	409,978	-	125
Prepaid items	32,009	-	-
Inventory	9,034	-	-
Total assets	<u>\$ 26,629,237</u>	<u>\$ 544,350</u>	<u>\$ 1,270,948</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 76,059	\$ 32,624	\$ 343,162
Due to other funds	33,989	409,978	-
Due to others	750	-	-
Accrued salaries payable	491,511	88,252	-
Total liabilities	<u>602,309</u>	<u>530,854</u>	<u>343,162</u>
Deferred inflows of resources			
Unavailable property tax revenue	21,055,730	-	-
Total deferred inflows of resources	<u>21,055,730</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable			
Prepaid items	32,009	-	-
Inventory	9,034	-	-
Restricted			
Major maintenance W.S. 21-15-109	-	-	927,786
Buildings and equipment W.S. 21-13-504	-	-	-
Bond indenture	-	-	-
Donors	-	13,496	-
Unassigned	4,930,155	-	-
Total fund balances	<u>4,971,198</u>	<u>13,496</u>	<u>927,786</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,629,237</u>	<u>\$ 544,350</u>	<u>\$ 1,270,948</u>

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ 3,710,942	\$ -	\$ 9,698,642
-	2,612,209	3,778,545
847,567	-	847,567
-	2,392,686	21,871,075
-	-	1,360,964
-	-	410,103
-	-	32,009
-	-	9,034
<u>\$ 4,558,509</u>	<u>\$ 5,004,895</u>	<u>\$ 38,007,939</u>
\$ 188,006	\$ -	\$ 639,851
125	-	444,092
-	-	750
-	-	579,763
<u>188,131</u>	<u>-</u>	<u>1,664,456</u>
-	2,343,042	23,398,772
<u>-</u>	<u>2,343,042</u>	<u>23,398,772</u>
-	-	32,009
-	-	9,034
-	-	927,786
3,522,936	-	3,522,936
847,442	2,661,853	3,509,295
-	-	13,496
-	-	4,930,155
<u>4,370,378</u>	<u>2,661,853</u>	<u>12,944,711</u>
<u>\$ 4,558,509</u>	<u>\$ 5,004,895</u>	<u>\$ 38,007,939</u>

CARBON COUNTY SCHOOL DISTRICT #1

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

June 30, 2020

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

Total fund balances - governmental funds		\$ 12,944,711
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		113,995,155
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Difference in unavailable property tax revenue		5,457,574
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	6,929,402	
Pension plan items - deferred inflows of resources	<u>(7,476,941)</u>	(547,539)
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	(16,750,488)	
Series 2012 bonds payable premium, net of amortization	(872,843)	
Retainage payable	(82,094)	
Compensated absences	(397,846)	
Net pension liability	(20,919,388)	
Lease purchase obligations	<u>(131,775)</u>	<u>(39,154,434)</u>
Net position of governmental activities		<u>\$ 92,695,467</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, 2020

	General Fund	Grants Fund	Major Maintenance Fund
Revenues			
Taxes	\$ 16,718,831	\$ -	\$ -
Intergovernmental revenues	9,226,159	1,863,019	1,541,431
Charges for services	148,671	-	-
Investment income	60,758	147	33,867
Miscellaneous	121,815	132,710	-
Total revenues	<u>26,276,234</u>	<u>1,995,876</u>	<u>1,575,298</u>
Expenditures			
Instruction			
Regular instruction	9,643,300	978,465	-
Special instruction	3,817,306	458,184	-
Vocation education	234,760	203,204	-
Support services			
Pupil services	2,511,091	113,045	-
Instructional staff services	623,881	214,874	-
General administration services	65,055	95,743	-
School administration services	1,731,899	2,501	-
Business services	656,599	-	-
Operation and maintenance of plant services	3,318,728	-	1,640,456
Pupil transportation services	1,923,143	-	-
Central services	1,621,447	-	-
Other support services	147,369	-	-
Community relations	68,362	-	-
Facilities acquisition and construction services	-	-	-
Debt service			
Principal repayments	145,860	-	-
Interest	11,451	-	-
Total expenditures	<u>26,520,251</u>	<u>2,066,016</u>	<u>1,640,456</u>
Excess (deficiency) of revenues over expenditures	<u>(244,017)</u>	<u>(70,140)</u>	<u>(65,158)</u>
Other financing sources (uses)			
Transfers in (out)	(600,000)	-	-
Insurance recovery	30,528	-	-
Proceeds from the sale of general capital assets	5,488	-	-
Total other financing sources (uses)	<u>(563,984)</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(808,001)	(70,140)	(65,158)
Fund balances - beginning of year	5,430,297	83,636	992,944
Prior period adjustment	348,902	-	-
Fund balances - beginning of year, as restated	<u>5,779,199</u>	<u>83,636</u>	<u>992,944</u>
Fund balances - end of year	<u>\$ 4,971,198</u>	<u>\$ 13,496</u>	<u>\$ 927,786</u>

See accompanying notes to financial statements

Capital Construction Fund	Debt Service Fund	Total Governmental Funds
\$ -	\$ 2,149,973	\$ 18,868,804
-	-	12,630,609
-	-	148,671
67,910	-	162,682
4,553	-	259,078
<u>72,463</u>	<u>2,149,973</u>	<u>32,069,844</u>
-	-	10,621,765
-	-	4,275,490
-	-	437,964
-	-	2,624,136
-	-	838,755
-	-	160,798
-	-	1,734,400
-	-	656,599
-	-	4,959,184
-	-	1,923,143
-	-	1,621,447
-	-	147,369
-	-	68,362
1,039,900	-	1,039,900
-	1,510,000	1,655,860
-	705,076	716,527
<u>1,039,900</u>	<u>2,215,076</u>	<u>33,481,699</u>
<u>(967,437)</u>	<u>(65,103)</u>	<u>(1,411,855)</u>
-	-	(600,000)
-	-	30,528
-	-	5,488
<u>-</u>	<u>-</u>	<u>(563,984)</u>
(967,437)	(65,103)	(1,975,839)
5,337,815	2,398,752	14,243,444
-	328,204	677,106
<u>5,337,815</u>	<u>2,726,956</u>	<u>14,920,550</u>
<u>\$ 4,370,378</u>	<u>\$ 2,661,853</u>	<u>\$ 12,944,711</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, 2020

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

Net change in fund balances - total governmental funds \$ (1,975,839)

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

Capital outlay	\$ 2,370,727	
Depreciation expense	(3,516,578)	
Cost basis of asset disposition	(4,000,627)	
Accumulated depreciation of asset dispositions	<u>2,579,693</u>	(2,566,785)

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.

Net pension liability - prior year	26,250,387	
Net pension liability - current year	(20,919,388)	
Pension plan items, net - prior year	(6,233,336)	
Pension plan items, net - current year	<u>(547,539)</u>	(1,449,876)

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	1,510,000	
Series 2012 premium amortization	97,887	
Accrued interest on bond - current year	(25,494)	
Accrued interest on bond - prior year	27,417	
Principal payments on lease purchase obligations	<u>145,860</u>	1,755,670

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

Prior year retainage payable	126,056	
Current year retainage payable	(82,094)	
Prior year total liability for compensated absences	380,859	
Current year total liability for compensated absences	<u>(397,846)</u>	26,975

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

Difference in unavailable intergovernmental revenue - prior year	(116,600)	
Difference in unavailable property tax revenue - prior year	(3,162,045)	
Difference in unavailable property tax revenue - current year	<u>5,457,574</u>	2,178,929
Changes in net position of governmental activities		<u><u>\$ (2,030,926)</u></u>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2020

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 234,981	\$ 307,372	\$ 542,353
Accounts receivable	17,550	-	17,550
Due from other funds	-	33,989	33,989
Due from other governments	64,117	-	64,117
Inventory	53,019	-	53,019
Total current assets	<u>369,667</u>	<u>341,361</u>	<u>711,028</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension plan items	128,836	71,993	200,829
Total deferred outflows of resources	<u>128,836</u>	<u>71,993</u>	<u>200,829</u>
LIABILITIES			
Current liabilities			
Accounts payable	6,705	2,095	8,800
Accrued salaries payable	14,376	12,859	27,235
Unearned revenue	24,621	-	24,621
Compensated absences	11,331	-	11,331
Total current liabilities	<u>57,033</u>	<u>14,954</u>	<u>71,987</u>
Noncurrent liabilities			
Net pension liability	329,654	54,423	384,077
Total liabilities	<u>386,687</u>	<u>69,377</u>	<u>456,064</u>
DEFERRED INFLOW OF RESOURCES			
Pension plan items of resources	147,256	119,111	266,367
Total deferred inflows of resources	<u>147,256</u>	<u>119,111</u>	<u>266,367</u>
NET POSITION			
Unrestricted (deficit)	(35,440)	224,866	189,426
Total net position (deficit)	<u>\$ (35,440)</u>	<u>\$ 224,866</u>	<u>\$ 189,426</u>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2020

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
Operating revenues			
Charges for services	\$ 190,900	\$ 44,861	\$ 235,761
Miscellaneous	34,268	-	34,268
Total operating revenues	<u>225,168</u>	<u>44,861</u>	<u>270,029</u>
Operating expenses			
Salaries	354,200	331,779	685,979
Employee benefits	176,724	128,041	304,765
Purchased services	14,512	14,140	28,652
Supplies and materials	529,507	74,329	603,836
Total operating expenses	<u>1,074,943</u>	<u>548,289</u>	<u>1,623,232</u>
Operating loss	<u>(849,775)</u>	<u>(503,428)</u>	<u>(1,353,203)</u>
Nonoperating revenues			
Federal subsidy	546,110	-	546,110
Grants	-	390,000	390,000
Interest income	1,129	332	1,461
Total nonoperating revenues	<u>547,239</u>	<u>390,332</u>	<u>937,571</u>
Net loss before transfers	(302,536)	(113,096)	(415,632)
Transfers in	<u>250,000</u>	<u>350,000</u>	<u>600,000</u>
Change in net position	(52,536)	236,904	184,368
Net position (deficit) - beginning of year	<u>17,096</u>	<u>(12,038)</u>	<u>5,058</u>
Net position (deficit) - end of year	<u><u>\$ (35,440)</u></u>	<u><u>\$ 224,866</u></u>	<u><u>\$ 189,426</u></u>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended June 30, 2020

	Business-type Activities		
	Food Service Fund	Aquatic Center Fund	Total
Cash flows from operating activities			
Cash received from customers	\$ 156,936	\$ 44,861	\$ 201,797
Cash payments to suppliers for goods and services	(499,484)	(87,331)	(586,815)
Cash payments to employees for services	(489,350)	(433,755)	(923,105)
Net cash used in operating activities	(831,898)	(476,225)	(1,308,123)
Cash flows from noncapital financing activities			
Operating transfers in	250,000	350,000	600,000
Payments from interfund activity	(8,316)	(34,278)	(42,594)
Subsidy received from federal grants	504,534	-	504,534
Subsidy received from local grants	-	390,000	390,000
Net cash provided by noncapital financing activities	746,218	705,722	1,451,940
Cash flows from investing activities			
Interest income	1,129	332	1,461
Net cash provided by investing activities	1,129	332	1,461
Net change in cash and cash equivalents	(84,551)	229,829	145,278
Cash and cash equivalents - beginning of year	319,532	77,543	397,075
Cash and cash equivalents - end of year	\$ 234,981	\$ 307,372	\$ 542,353

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CASH FLOWS (CONTINUED)
 PROPRIETARY FUNDS
 Year Ended June 30, 2020

	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	\$ (849,775)	\$ (503,428)	\$ (1,353,203)
Adjustments to reconcile operating loss to net cash and cash equivalents used in operating activities			
Amortization of pension plan items	145,227	119,684	264,911
Commodities - share of federal subsidy	41,576	-	41,576
Increase (decrease) in cash and cash equivalents resulting from changes in operating assets, deferred inflows and outflows and liabilities			
Accounts receivable	(4,424)	-	(4,424)
Inventory	(37,676)	-	(37,676)
Due from other governments	(38,385)	-	(38,385)
Deferred outflow - pension plan items	(2,020)	(616)	(2,636)
Accounts payable	6,367	1,138	7,505
Accrued salaries payable	8,602	(557)	8,045
Unearned revenue	8,845	-	8,845
Compensated absences	1,942	-	1,942
Net pension liability	(112,177)	(92,446)	(204,623)
Net cash and cash equivalents used in operating activities	<u>\$ (831,898)</u>	<u>\$ (476,225)</u>	<u>\$ (1,308,123)</u>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2020

	Private Purpose Trust Fund	Agency Fund Student Activities Fund
ASSETS		
Cash	\$ 248,096	\$ 295,545
Due from primary government	750	-
Total assets	<u>\$ 248,846</u>	<u>\$ 295,545</u>
LIABILITIES		
Accounts payable	\$ -	\$ 4,174
Due to student groups	760	291,371
Total liabilities	<u>760</u>	<u>\$ 295,545</u>
NET POSITION		
Held in trust for scholarships	<u>248,086</u>	
Total net position	<u>\$ 248,086</u>	

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

Year Ended June 30, 2020

	Private Purpose Trust Fund
Additions	
Scholarship donations	\$ 4,357
Interest income	3,705
	<hr/>
Total additions	8,062
	<hr/>
Deductions	
Scholarship awards	13,100
	<hr/>
Total deductions	13,100
	<hr/>
Change in net position	(5,038)
	<hr/>
Net position - beginning of year	253,124
	<hr/>
Net position - end of year	\$ 248,086
	<hr/> <hr/>

See accompanying notes to financial statements

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies

Reporting Entity

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

Discretely Presented Component Units

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

The component unit column in the combined financial statements includes the financial data of the District's Recreation Board. The Recreation Board is legally separate from the District. The ten-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, 2020

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and 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 proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

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

The District reports the following major proprietary funds:

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

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

Additionally, the District reports the following fund types:

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

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

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

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

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

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

Cash and Cash Equivalents and Restricted Cash

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

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

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

Accounts Receivable

The District considers all accounts receivable to be fully collectible at June 30, 2020 and, therefore no allowance for doubtful accounts is deemed necessary.

Due from Other Governments

Due from other governments includes grants and reimbursements receivable from other governmental entities.

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 3.4 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, 2020 was 33.5 mills.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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 and enterprise 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. Inventory for the general fund consists of office and school supplies and the food service fund consists of food products including USDA food commodities held for consumption.

Capital Assets

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

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

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

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

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

Pensions

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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.

The District's administrators earn twelve days or ninety six hours per year with a maximum hour compensation based on the number of years worked. The number of days accumulated, is paid at the rate of \$55.00 per each 8-hour block of accumulated sick leave. Administrators earn twenty vacation days per year and after the administrator fulfills an entire contract year, the administrator may choose to receive a monetary amount that will be dependent on their annual salary.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 1. Summary of Significant Accounting Policies (Continued)

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

Fund Balance and Net Position

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

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

Restricted Net Position

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

Use of Estimates

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

The estimate for the pension liability and related items is 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, 2020

Note 2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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

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

The budget is adopted by the third Thursday of July.

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

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

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

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

Note 3. Deposits and Investments

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

Deposits held in the District's bank accounts are typically insured by federal depository insurance or are collateralized with securities held by the pledging institution's trust department or agent, in joint custody of the bank and the District. As of June 30, 2020, the District had bank balances of \$4,911,296 with a carrying amount of \$3,717,837. The bank balance of the District's fiduciary funds was \$543,617 with a carrying amount of \$543,641. The difference between the carrying amount and the bank balance is the result of the transactions in transit.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 3. Deposits and Investments (Continued)

Custodial credit risk - deposits with WGIF Liquid Asset Series. The District also had cash equivalents of \$7,370,547 in the WGIF Liquid Asset Series, a money market investment rated AAAM by Standard and Pool's. Management does not believe its cash balances are at risk as a result of not being fully insured or collateralized. The District has not incurred any losses related to uninsured deposits.

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

Concentration of credit risk. The District does not have a formal policy that allows for or limits investment in any one issuer that is in excess of a specified percentage of the District's total investments.

Note 4. Capital Assets

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

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 1,019,694	\$ -	\$ -	\$ 1,019,694
Construction in progress	1,476,984	2,225,756	2,534,563	1,168,177
Total capital assets, not being depreciated	2,496,678	2,225,756	2,534,563	2,187,871
Capital assets, being depreciated				
Buildings and improvements	139,683,218	2,485,759	3,819,074	138,349,903
Vehicles	4,670,064	88,721	147,759	4,611,026
Property and equipment	1,103,072	105,054	33,794	1,174,332
Total capital assets, being depreciated	145,456,354	2,679,534	4,000,627	144,135,261
Less accumulated depreciation				
Buildings and improvements	27,477,618	3,124,271	2,401,527	28,200,362
Vehicles	3,348,914	281,883	147,759	3,483,038
Property and equipment	564,560	110,424	30,407	644,577
Total accumulated depreciation	31,391,092	3,516,578	2,579,693	32,327,977
Total capital assets, being depreciated, net	114,065,262	(837,044)	1,420,934	111,807,284
Governmental activities capital assets, net	\$ 116,561,940	\$ 1,388,712	\$ 3,955,497	\$ 113,995,155

The District has \$695,951 assets (buses and office equipment) under capital leases with accumulated depreciation of \$353,107. The depreciation expense for the fiscal year ended June 30, 2020 was \$88,277.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 4. Capital Assets (Continued)

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

Governmental activities	
Regular instruction	\$ 110,424
Pupil transportation	281,883
Operation and maintenance of plant services	3,124,271
Total depreciation expenses - governmental activities	<u>\$ 3,516,578</u>

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

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Business-type activities				
Capital assets, being depreciated				
Property and equipment	\$ 19,900	\$ -	\$ -	\$ 19,900
Total capital assets, being depreciated	19,900	-	-	19,900
Less accumulated depreciation				
Property and equipment	19,900	-	-	19,900
Total accumulated depreciation	19,900	-	-	19,900
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

A summary of changes in BOCHES capital assets follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets, not being depreciated				
Land	\$ 165,168	\$ -	\$ -	\$ 165,168
Total capital assets, not being depreciated	165,168	-	-	165,168
Capital assets, being depreciated				
Buildings and improvements	153,029	12,400	-	165,429
Vehicles	129,276	-	-	129,276
Property and equipment	279,879	-	-	279,879
Total capital assets, being depreciated	562,184	12,400	-	574,584
Less accumulated depreciation				
Buildings and improvements	112,463	8,121	-	120,584
Vehicles	110,037	5,019	-	115,056
Property and equipment	252,549	21,278	-	273,827
Total accumulated depreciation	475,049	34,418	-	509,467
Total capital assets, being depreciated, net	87,135	(22,018)	-	65,117
Total capital assets, net	<u>\$ 252,303</u>	<u>\$ (22,018)</u>	<u>\$ -</u>	<u>\$ 230,285</u>

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 5. Long-term Debt

The following is a summary of debt transactions of the District for the year ended June 30, 2020:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Lease purchase obligations	\$ 277,635	\$ -	\$ 145,860	\$ 131,775	\$ 131,775
Series 2012 bonds	18,235,000	-	1,510,000	16,725,000	1,570,000
Premium on Series 2012 bonds	970,730	-	97,887	872,843	97,887
Retainage payable	126,056	82,094	126,056	82,094	82,094
Accrued compensated absences	380,859	397,846	380,859	397,846	88,783
	<u>19,990,280</u>	<u>479,940</u>	<u>2,260,662</u>	<u>18,209,558</u>	<u>1,970,539</u>
Net pension liability	26,250,387	-	5,330,999	20,919,388	-
	<u>\$ 46,240,667</u>	<u>\$ 479,940</u>	<u>\$ 7,591,661</u>	<u>\$ 39,128,946</u>	<u>\$ 1,970,539</u>
Business-type Activities					
Accrued compensated absences	\$ 9,389	\$ 11,331	\$ 9,389	\$ 11,331	\$ 11,331
Net pension liability	588,700	-	204,623	384,077	-
	<u>\$ 598,089</u>	<u>\$ 11,331</u>	<u>\$ 214,012</u>	<u>\$ 395,408</u>	<u>\$ 11,331</u>

For the governmental activities, debt is generally liquidated by the general fund except for the retainage payable that is liquidated by the major maintenance and capital construction funds 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, 2020 was as follows:

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Lease purchase obligations	\$ 14,094	\$ -	\$ 8,769	\$ 5,325	\$ 4,610
Accrued compensated absences	27,597	29,573	27,597	29,573	776
	<u>41,691</u>	<u>29,573</u>	<u>36,366</u>	<u>34,898</u>	<u>5,386</u>
Net pension liability	1,398,513	-	345,657	1,052,856	-
	<u>\$ 1,440,204</u>	<u>\$ 29,573</u>	<u>\$ 382,023</u>	<u>\$ 1,087,754</u>	<u>\$ 5,386</u>

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 5. Long-term Debt (Continued)

As of June 30, 2020 the District had the following outstanding lease purchase obligations:

Lease purchase obligations for five buses; interest rate of 3.85%, due in annual installments of \$151,845 including interest through May 2021; collateralized with buses.	\$ 129,156
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.	1,577
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.	1,042
	<u>\$ 131,775</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, are as follows:

Year ended June 30, 2021	\$ 136,972
Less amount representing interest	5,197
Net future minimum payments	<u>\$ 131,775</u>

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

The debt service requirement and premium amortization on the Series 2012 bonds as of June 30, 2020 is as follows:

Year Ending June 30	Interest Rate	Series 2012		Total Principal and Interest	Premium amortization
		Principal	Interest		
2021	5.00%	\$ 1,570,000	\$ 644,636	\$ 2,214,636	\$ 97,887
2022	5.00%	1,650,000	566,136	2,216,136	97,887
2023	4.00%	1,730,000	483,636	2,213,636	97,887
2024	4.00%	1,800,000	414,436	2,214,436	97,887
2025	3.00%	1,870,000	342,436	2,212,436	97,887
2026 to 2029	3.1% to 4.5%	8,105,000	749,543	8,854,543	383,408
		<u>\$ 16,725,000</u>	<u>\$ 3,200,823</u>	<u>\$ 19,925,823</u>	<u>\$ 872,843</u>

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

June 30, 2020

Note 6. Interfund Receivables, Payables and Transfers

The composition of the interfund balances as of June 30, 2020 is as follows:

	Interfund Receivable	Interfund Payable
Primary government		
General fund	\$ 409,978	\$ 33,989
Grants fund	-	409,978
Capital construction fund	-	125
Major maintenance fund	125	-
Business-type activities		
Aquatic center fund	33,989	-
	<u>\$ 444,092</u>	<u>\$ 444,092</u>

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

During the fiscal year ended June 30, 2020 the District had the following interfund transfers:

	Transfers in	Transfers out
General fund	\$ -	\$ 600,000
Food service fund	250,000	-
Aquatic center fund	350,000	-
	<u>\$ 600,000</u>	<u>\$ 600,000</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.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 7. Pension Plan

The District participates in the Public Employees' Pension Plan ("PEPP"), a statewide cost-sharing multiple-employer defined benefit, contributory retirement plan 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 8.75% of their annual covered salary and the District is required to contribute 8.87% 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 15.69% of the required employee's contribution and the employees pay 1.93%. As of July 1, 2020, the required statutory employer and employee contribution rates will increase by 0.25% respectively. Therefore the District's contribution rate will increase to 16.19% and the employee's contribution rate will remain 1.93%. Contribution rates are established by Title 9, Chapter 3 of the Wyoming Statutes.

The District's contributions to the PEPP for the years ended June 30, 2020, 2019 and 2018 were \$2,619,162, \$2,277,166, and \$2,282,549, while the employees' portion was \$319,339, \$266,281, and \$214,775, 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, 2020, 2019 and 2018 were \$143,491, \$134,562, and \$133,359, respectively.

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

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

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

Pension Plan Fiduciary Net Position

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

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 7. Pension Plan (Continued)

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

At June 30, 2020, the District and BOCHES reported a total liability of \$21,303,465 and \$1,052,856, respectively, for their proportionate share of the net pension liability. The net pension liability was determined by an actuarial valuation as of January 1, 2019, 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, 2019 is based on the results of an actuarial valuation as of January 1, 2019, rolled forward to a measurement date of December 31, 2019, and taking into consideration information from the recent experience study.

The schedule below shows the District and BOCHES' proportionate share of the net pension liability at June 30, 2020, the proportionate portion at the measurement date of December 31, 2019, and the change in the proportion from the previous measurement date.

	Pension liability June 30, 2020	Proportion at December 31, 2019	Increase (decrease) from December 31, 2018
District			
Public Employees' Pension Plan	\$ 21,303,465	0.9065588%	(0.0252280%)
BOCHES			
Public Employees' Pension Plan	\$ 1,052,856	0.0448038%	(0.0011200%)

For the year ended June 30, 2020, the District and BOCHES recognized pension expense of \$4,126,699 and \$160,101, respectively. At June 30, 2020, 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	\$ 4,071,911	\$ 213,071	\$ 7,306,635	\$ 375,232
Difference due to changes in assumptions	723,805	42,063	-	-
Difference between actual and expected experience	-	-	408,535	22,007
Change in employer's proportion	557,089	-	28,138	119,687
Amortizing deferred outflows and deferred inflows	5,352,805	255,134	7,743,308	516,926
Contributions subsequent to the measurement date	1,777,426	73,613	-	-
Total	\$ 7,130,231	\$ 328,747	\$ 7,743,308	\$ 516,926

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

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 \$1,777,426 and \$73,613, 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, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred Outflows of Resources		Deferred Inflows of Resources	
	District	Component Unit	District	Component Unit
		BOCHES		BOCHES
2021	\$ 2,205,660	\$ 108,997	\$ 2,502,387	\$ 208,382
2022	1,655,316	76,496	2,379,120	160,292
2023	1,491,829	69,641	1,441,439	78,055
2024	-	-	1,420,362	70,197
	<u>\$ 5,352,805</u>	<u>\$ 255,134</u>	<u>\$ 7,743,308</u>	<u>\$ 516,926</u>

Actuarial Assumptions

Actuarial Assumptions and Methods

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	29 years
Asset valuation method	5 Year smoothed market
Inflation	2.25%
Salary increases	2.5% to 6.5%, including inflation
Payroll growth rate	2.50%
Cost of living increase	0.00%
Investment net rate of return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2012-2016.
Post-Retirement Mortality	RP-2014 Health Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 88%
Pre-Retirement Mortality	RP-2014 Healthy Annuitant Mortality Table, fully generational, projected with Scale MP-2017 Males: No set back with a multiplier of 100% Females: No set back with a multiplier of 100%

The plan's trustees adopted the assumed rate of investment return 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, 2019. In addition, a five-year experience study was completed as of December 31, 2016 and this study provides a detailed analysis regarding recommendations on the long term rates for inflation and the real rate of return. The assumed rate of investment return of 7.00% (real return net of inflation of 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, 2020

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. Each major asset class is included in the pension plans target asset allocation for the fiscal year 2019. 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	2.00%	-0.20%	-0.20%
Fixed income	21.00%	1.32%	1.67%
Equity	48.50%	5.43%	7.42%
Marketable alternatives	19.00%	3.46%	4.33%
Private markets	9.50%	4.46%	5.58%
Total	100.00%	3.99%	5.30%

Discount Rate

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

For purpose of this valuation, the expected rate of return on pension plan investments is 7.00%, the municipal bond rate is 2.75% (based on the weekly rate closer to but not later than the measurement date of the "state and local bonds" rate from the Federal Reserve statistical release (H.15); and the resulting single discount rates listed above.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 7. Pension Plan (Continued)

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	\$ 32,185,940	\$ 21,303,465	\$ 12,221,036
BOCHES			
Public Employees' Pension Plan	\$ 1,590,688	\$ 1,052,856	\$ 603,986

Payables to the pension plan – At June 30, 2020 BOCHES reported \$12,243 as payable to the pension plan and the District had no amount payable to the pension plan.

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, 2020 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, 2020, the District paid \$142,269 into the State Worker's Compensation System.

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

The District participates in the Wyoming Educator Benefit Trust (WEBT). WEBT sets premium rates each year based on projected medical costs. The District paid \$3,014,979 in premiums to Blue Cross Blue Shield, WEBT's third party administrator. Were the District to withdraw from coverage through WEBT, the District would not be responsible for any specific liabilities nor is it entitled to any of the reserves. As a participating employer, if the trust is dissolved the District may be entitled to a residual portion of the plan reserves.

Note 9. Transactions with Discretely Presented Component Unit

During the fiscal year ended June 30, 2020, the District received \$390,000 from the Recreation Board to operate the swimming pool.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 10. Commitments and Contingencies

As of June 30, 2020, the District had the following outstanding contract commitments:

	Contract Amount	Completed Amount	Outstanding Amount
2-5 Playground Resurfacing	\$ 16,870	\$ 8,786	\$ 8,084
LSRV Parking Lot	24,735	13,375	11,360
LSRV Playground	20,360	9,665	10,695
LSRV Track	1,035,518	336,922	698,596
HS Tennis	428,020	81,791	346,229
HS STEM Room Remodel	10,500	4,250	6,250
HS West End Soccer Field	587,303	207,437	379,866
HS Pool Heat Exchanger	13,250	9,371	3,879

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 were effective for reporting periods beginning after December 15, 2018; however, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, has provided temporary relief to governments and other stakeholder in light of the COVID-19 pandemic and has postponed the implementation of GASB Statement 84 by one year. The requirements of this Statement are now effective for reporting periods beginning after December 15, 2019. Management has not completed its assessment of the effects of implementing this standard.

GASB Statement No. 87, *Leases*, is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Under this standard, government lessors must recognize (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and report in its financial statements (a) lease revenue recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable, and (c) note disclosures about the lease. This standard was effective for reporting periods beginning after December 15, 2019; however GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, has provided temporary relief to governments and other stakeholder in light of the COVID-19 pandemic and has postponed the implementation of GASB Statement 87 by eighteen months. The requirements of this Statement are now effective for reporting periods beginning after June 15, 2021. Management has not concluded its assessment of the effect of implementing this guidance.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides accounting and financial reporting guidance for subscription-based information technology arrangements. The requirements of the Statement are effective for reporting periods after June 15, 2021. Management has not completed its assessment of the effects of implementing this standard.

Note 12. Special Item

During the year ended June 30, 2020, the District sold the land, building, and playground equipment from the Sinclair Elementary School to the Town of Sinclair for \$10 and disposed of a retired building. These items are reflected in the government-wide statements as a special item, as it is unusual in nature but under the control of management. The book value of these capital assets was \$1,420,932.

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

Note 13. Prior Period Adjustment

During the year ended June 30, 2020, Carbon County Treasurer informed the District that the property taxes remitted to the District, BOCHES and the Recreation Board in the amount of \$348,902, \$28,843 and \$22,367, respectively, related to fiscal year 2019 collections. In addition, the Carbon County Treasurer informed the District that additional collected property taxes related to fiscal year 2019 had not been remitted by June 30, 2020 for the District, BOCHES, and the Recreation Board in the amount of \$887,161, \$67,015, and \$16,077, respectively. The property taxes held by the Carbon County Treasurer and not remitted to the District or the Recreation Board by June 30, 2020, were recorded as unavailable property tax revenue for fund level statements. Furthermore, the Carbon County Treasurer informed the District of additional cash and investments being held on the District's behalf in the amount of \$328,204 for the payment of the District's bonds. This resulted in an understatement of the June 30, 2019 fund balance for the general fund, debt service fund, BOCHES, and Recreation Board in the amount of \$348,902, \$328,204, \$95,858, and \$38,444, respectively and an understatement of governmental activities' net position of \$1,564,267.

Note 14. Risks and Uncertainties

The COVID-19 pandemic remains an evolving situation. The extend of the impact of COVID-19 on our operations and financial results will depend on future developments, including the duration and spread of the outbreak, and the impact on taxpayers, state funding decisions, employees and vendors, all of which are uncertain.

Note 15. Subsequent Events

On October 29, 2020, the District refunded the Series 2012 bond with a par amount of \$13,350,000. The bonds will now mature on June 15, 2028 and have a coupon rate of 1.49%.

The District did not have any other subsequent events through November 11, 2020, 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, 2020.

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources	\$ 16,684,238	\$ 16,684,238	\$ 15,804,452	\$ (879,786)
County sources	3,720,493	3,720,493	4,395,921	675,428
State sources	6,396,896	6,396,896	6,293,672	(103,224)
Other sources	-	-	276,798	276,798
Total revenues	<u>26,801,627</u>	<u>26,801,627</u>	<u>26,770,843</u>	<u>(30,784)</u>
Expenses				
Instruction	16,585,651	16,585,651	14,689,669	1,895,982
Instructional support	2,117,947	2,117,947	2,094,889	23,058
Support services - general support	10,533,643	10,533,643	9,610,217	923,426
Total expenditures	<u>29,237,241</u>	<u>29,237,241</u>	<u>26,394,775</u>	<u>2,842,466</u>
Excess (deficiency) of revenues over expenditures	<u>(2,435,614)</u>	<u>(2,435,614)</u>	<u>376,068</u>	<u>2,811,682</u>
Other financing sources (uses)				
Proceeds from the sale of capital assets	33,000	33,000	14,882	(18,118)
Transfers out	<u>(780,000)</u>	<u>(780,000)</u>	<u>(600,000)</u>	<u>180,000</u>
Total other financing sources (uses)	<u>(747,000)</u>	<u>(747,000)</u>	<u>(585,118)</u>	<u>161,882</u>
Net change in fund balance	<u>(3,182,614)</u>	<u>(3,182,614)</u>	<u>(209,050)</u>	<u>\$ 2,973,564</u>
Fund balance - beginning of year	<u>4,929,676</u>	<u>4,929,676</u>	<u>4,929,676</u>	
Fund balance - end of year	<u>\$ 1,747,062</u>	<u>\$ 1,747,062</u>	<u>\$ 4,720,626</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Federal sources	\$ 2,000,000	\$ 2,000,000	\$ 1,609,470	\$ (390,530)
State sources	100,000	100,000	4,495	(95,505)
Local sources	150,000	150,000	132,710	(17,290)
Investment earnings	-	-	147	147
Total revenues	<u>2,250,000</u>	<u>2,250,000</u>	<u>1,746,822</u>	<u>(503,178)</u>
Expenditures				
Instruction	1,450,000	1,450,000	1,566,034	(116,034)
Instructional support	350,000	350,000	299,445	50,555
Support services	150,000	150,000	93,857	56,143
Total expenditures	<u>1,950,000</u>	<u>1,950,000</u>	<u>1,959,336</u>	<u>(9,336)</u>
Excess (deficiency) of revenues over expenditures	<u>300,000</u>	<u>300,000</u>	<u>(212,514)</u>	<u>(512,514)</u>
Other financing uses				
Transfers out	(461,734)	(461,734)	-	461,734
Total other financing uses	<u>(461,734)</u>	<u>(461,734)</u>	<u>-</u>	<u>461,734</u>
Net change in fund balance	(161,734)	(161,734)	(212,514)	<u>\$ (50,780)</u>
Fund balance (deficit) - beginning of year	<u>(125,315)</u>	<u>(125,315)</u>	<u>(125,315)</u>	
Fund balance (deficit) - end of year	<u>\$ (287,049)</u>	<u>\$ (287,049)</u>	<u>\$ (337,829)</u>	

See accompanying notes to required supplementary information

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL (BUDGETARY BASIS)

MAJOR MAINTENANCE FUND (UNAUDITED)

Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 1,541,431	\$ 41,431
Interest	35,000	35,000	33,867	(1,133)
Total revenues	<u>1,535,000</u>	<u>1,535,000</u>	<u>1,575,298</u>	<u>40,298</u>
Expenditures				
Capital outlay	3,024,083	3,024,083	2,053,356	970,727
Total expenditures	<u>3,024,083</u>	<u>3,024,083</u>	<u>2,053,356</u>	<u>970,727</u>
Net change in fund balance	(1,489,083)	(1,489,083)	(478,058)	<u>\$ 1,011,025</u>
Fund balance - beginning of year	<u>1,749,006</u>	<u>1,749,006</u>	<u>1,749,006</u>	
Fund balance - end of year	<u>\$ 259,923</u>	<u>\$ 259,923</u>	<u>\$ 1,270,948</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)

	2020	2019	2018
Public Employees' Pension Plan - District			
Proportion of the net pension liability (asset)	0.906558800%	0.881330800%	0.873909800%
Proportionate share of the net pension liability (asset)	\$ 21,303,465	\$ 26,839,087	\$ 19,919,380
Covered payroll	\$ 15,757,921	\$ 15,347,095	\$ 15,523,938
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	135.19%	174.88%	128.31%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	69.17%	76.35%
Public Employees' Pension Plan - BOCHES			
Proportion of the net pension liability (asset)	0.044803800%	0.045923800%	0.050785600%
Proportionate share of the net pension liability (asset)	\$ 1,052,856	\$ 1,398,513	\$ 1,157,578
Covered payroll	\$ 778,785	\$ 799,696	\$ 902,144
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	135.19%	174.88%	128.31%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	69.17%	76.35%

*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.

2017	2016	2015	2014	2013	2012	2011
0.878644000%	0.879573764%	0.920754768%	*	*	*	*
\$ 21,241,221	\$ 20,488,333	\$ 16,248,488	*	*	*	*
\$ 15,665,390	\$ 15,340,416	\$ 15,739,497	*	*	*	*
135.59%	133.56%	103.23%	*	*	*	*
73.42%	73.40%	79.08%	*	*	*	*
0.058371000%	0.052624645%	0.055306551%	*	*	*	*
\$ 1,411,120	\$ 1,225,812	\$ 975,991	*	*	*	*
\$ 1,040,700	\$ 917,813	\$ 945,417	*	*	*	*
135.59%	133.56%	103.23%	*	*	*	*
73.42%	73.40%	79.08%	*	*	*	*

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF PENSION CONTRIBUTIONS

Last 10 fiscal years
(Unaudited)

	2020	2019	2018
Public Employees' Pension Plan - District			
Contractually required contribution	\$ 2,938,501	\$ 2,543,447	\$ 2,497,324
Contributions in relations to the contractually required contributions	(2,938,501)	(2,543,447)	(2,497,324)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 16,677,077	\$ 14,856,583	\$ 15,026,017
Contributions as a percentage of covered payroll	17.62%	17.12%	16.62%
Public Employees' Pension Plan - BOCHES			
Contractually required contribution	\$ 143,491	\$ 134,562	\$ 133,359
Contributions in relations to the contractually required contributions	(143,491)	(134,562)	(133,359)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	\$ 814,364	\$ 785,993	\$ 802,401
Contributions as a percentage of covered payroll	17.62%	17.12%	16.62%

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

2017	2016	2015	2014	2013	2012	2011
\$ 2,582,432	\$ 2,631,898	\$ 2,515,461	*	*	*	*
(2,582,432)	(2,631,898)	(2,515,461)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 15,538,099	\$ 15,835,728	\$ 15,850,416	*	*	*	*
16.62%	16.62%	15.87%	*	*	*	*
\$ 160,548	\$ 170,684	\$ 162,501	*	*	*	*
(160,548)	(170,684)	(162,501)	*	*	*	*
\$ -	\$ -	\$ -	*	*	*	*
\$ 965,993	\$ 1,026,980	\$ 1,023,951	*	*	*	*
16.62%	16.62%	15.87%	*	*	*	*

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2020

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

	General Fund	Grants Fund	Major Maintenance Fund
Revenues			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 26,770,843	\$ 1,746,822	\$ 1,575,298
Differences - Budget Basis to GAAP			
Accrual of property taxes receivable	(352,365)	-	-
Intergovernmental revenue	(141,978)	249,054	-
Investment income	(266)	-	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 26,276,234</u>	<u>\$ 1,995,876</u>	<u>\$ 1,575,298</u>
Expenditures			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 26,394,775	\$ 1,959,336	\$ 2,053,356
Differences - Budget Basis to GAAP			
Prepaid items	29,609	21,936	-
Inventory	16,779	-	-
Accrual of accounts payable	31,015	28,428	(412,900)
Accrual of salaries payable	48,073	56,316	-
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 26,520,251</u>	<u>\$ 2,066,016</u>	<u>\$ 1,640,456</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 had no budget amendments during the year.

Note 3. Excess of Expenditures Over Appropriations

For the year ended June 30, 2020, the Grants fund instruction expenditures exceeded budget appropriations by \$116,034. This is a violation of Wyoming Statute §16-4-108

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2020

Note 4. Explanation of Changes to the Pension Plan

Changes of assumptions – There have been no changes of assumptions in the Public Employees' Pension Plan from January 1, 2018 to January 1, 2019.

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

Draft

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 2,000,000	\$ 2,000,000	\$ -	\$ (2,000,000)
Total revenues	2,000,000	2,000,000	-	(2,000,000)
Expenditures				
Capital outlay	2,432,852	2,432,852	-	2,432,852
Total expenditures	2,432,852	2,432,852	-	2,432,852
Deficiency of revenues over expenditures	(432,852)	(432,852)	-	(432,852)
Other financing sources				
Transfers out	-	-	(432,852)	(432,852)
Total other financing sources	-	-	(432,852)	(432,852)
Net change in fund balance	(432,852)	(432,852)	(432,852)	\$ -
Fund balance - beginning of year	432,852	432,852	432,852	
Fund balance - end of year	\$ -	\$ -	\$ -	

Notes 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.

Capital Construction – Capital Projects fund transfers out exceeded appropriations by \$432,852. This is a violation of Wyoming Statute §16-4-108

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Interest	\$ 35,000	\$ 35,000	\$ 54,999	\$ 19,999
Other sources	-	-	4,553	4,553
Total revenues	35,000	35,000	59,552	24,552
Expenditures				
Instruction	300,000	300,000	-	300,000
Instructional support	300,000	300,000	-	300,000
Support services - general support	600,000	600,000	-	600,000
Capital outlay	3,253,113	3,253,113	1,022,006	2,231,107
Total expenditures	3,253,113	3,253,113	1,022,006	2,231,107
Excess (deficiency) of revenues over expenditures	(3,218,113)	(3,218,113)	(962,454)	2,255,659
Other financing sources				
Transfers in	200,000	200,000	432,853	232,853
Total other financing sources	200,000	200,000	432,853	232,853
Net change in fund balance	(3,018,113)	(3,018,113)	(529,601)	\$ 2,488,512
Fund balance - beginning of year	4,240,543	4,240,543	4,240,543	
Fund balance (deficit) - end of year	\$ 1,222,430	\$ 1,222,430	\$ 3,710,942	

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 - REPAIR & MAINTENANCE BOND RESERVE - ACTIVITY Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Other sources - investment				
income	\$ 18,000	\$ 18,000	\$ 12,911	\$ (5,089)
Total revenues	18,000	18,000	12,911	(5,089)
Expenditures				
Support services	200,000	200,000	37,192	162,808
Operations and maintenance	50,000	50,000	-	50,000
Total expenditures	250,000	250,000	37,192	162,808
Deficiency of revenues over expenditures	(232,000)	(232,000)	(24,281)	(207,719)
Net change in fund balance	(232,000)	(232,000)	(24,281)	<u>\$ 207,719</u>
Fund balance - beginning of year	871,723	871,723	871,723	
Fund balance - end of year	<u>\$ 639,723</u>	<u>\$ 639,723</u>	<u>\$ 847,442</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.

SINGLE AUDIT SECTION

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

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	193WY312N1099/ 203WY312N8503/	-	\$ 50,463
National School Lunch Program	10.555	203WY531N8503 193WY312N1099/ 203WY312N8503/	-	190,593
National School Lunch Program - USDA Commodities	10.555	203WY531N8503 193WY312N1099/ 203WY312N8503/	-	41,576
Summer Food Service Program for Children	10.559	203WY312N1099/ 203WY531N8503	-	205,622
Total Child Nutrition Cluster				<u>488,254</u>
State Administrative Expenses for Child Nutrition	10.560	193WY014N2533	-	6,387
Fresh Fruit and Vegetable Program	10.582	193WY379L1603/ 203WY379L1603	-	30,444
Total U.S. Department of Agriculture				<u>525,085</u>
U.S. Department of Education				
Passed Through Wyoming Department of Education				
Title I Grants to Local Educational Agencies	84.010A	180401183A100	-	10,141
Title I Grants to Local Educational Agencies	84.010A	1904011003SUBR1800	-	43,765
Title I Grants to Local Educational Agencies	84.010A	190401TIPA1800	-	219,702
Title I Grants to Local Educational Agencies	84.010A	200401T1SUBR1900	-	603,594
Title I Grants to Local Educational Agencies	84.010A	200401T1NDSP21900	-	6,833
Total Title I Grants to Local Educational Agencies				<u>884,035</u>
<i>Special Education Cluster (IDEA)</i>				
Special Education - Grants to States	84.027A	200401SPEDSUBR1900	-	244,522
Special Education - Grants to States	84.027A	190401SPED6111800	-	116,369
				<u>360,891</u>
Special Education - Preschool Grants	84.173A	1804018T6900	-	3,662
Special Education - Preschool Grants	84.173A	190401PRES6191800	-	2,637
				<u>6,299</u>
Total Special Education Cluster (IDEA)				<u>367,190</u>
Career and Technical Education - Basic Grants to States	84.048A	190401PERKSR18S00	-	19,293
Career and Technical Education - Basic Grants to States	84.048A	200401PERKSUBS1900	-	61,118
Total Career and Technical Education - Basic Grants to States				<u>80,411</u>
English Language Acquisition State Grants	84.365A	18040118T3E00	-	276
English Language Acquisition State Grants	84.365A	190401T3ELA1800	-	3,630
English Language Acquisition State Grants	84.365A	18040118T3100	-	3,180
Total English Language Acquisition State Grants				<u>7,086</u>
Supporting Effective Instruction State Grant	84.367A	190401T2PA1800	-	184,069
Supporting Effective Instruction State Grant	84.367A	200401T2SUBR1900	-	9,114
Total Supporting Effective Instruction State Grant				<u>193,183</u>
Student Support and Academic Enrichment Program	84.424A	18040118T4A00	-	577
Student Support and Academic Enrichment Program	84.424A	190401T4ASSAE1	-	83,049
Student Support and Academic Enrichment Program	84.424A	200401TFSUBR1900	-	75,000
Total Student Support and Academic Enrichment				<u>158,626</u>
Total U.S. Department of Education				<u>1,690,531</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 2,215,616</u>

CARBON COUNTY SCHOOL DISTRICT #1

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards, ("the Schedule") includes the federal award activity of Carbon County School District #1 under programs of the federal government for the year ended June 30, 2020. 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.

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, 2020, and the related notes to the financial statements, which collectively comprise Carbon County School District #1's basic financial statements, and have issued our report thereon dated November 11, 2020.

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) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carbon County School District #1's internal control. Accordingly, we do not express an opinion on the effectiveness of Carbon County School District #1's internal control.

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

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

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Porter, Muirhead, Cornia & Howard

Porter, Muirhead, Cornia & Howard
Certified Public Accountants

Casper, Wyoming
November 11, 2020

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 each of Carbon County School District #1's major federal programs for the year ended June 30, 2020. Carbon County School District #1's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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 2020-001 for Level of Effort – Supplement Not Supplant. Compliance with such requirement is necessary, in our opinion, for Carbon County School District #1 to comply with the requirements applicable to that program.

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

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Carbon County School District #1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.010 – Title I Grants to Local Education Agencies for the year ended June 30, 2020.

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, 2020.

Other Matters

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a material weakness.

Carbon County School District #1's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. 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

Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming
November 11, 2020

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes

Significant deficiencies identified? No

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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2020-001

Material Weakness in Internal Control

Material Noncompliance

U. S. Department of Education

Passed through the State of Wyoming Department of Education

84.010A – Title I Grants to Local Education Agencies

Pass Through Entity Identifying Number: 190401TIPA1800 and 200401T1SUBR1900

Grant years: 2019 and 2020

Criteria or specific requirement

Level of Effort - Supplement Not Supplant

Section 1118(b)(1) of the Elementary and Secondary Education Act (ESEA) as amended by the Every Student Succeeds Act (ESSA) indicates that and LEA must demonstrate compliance with supplement not supplant by having a methodology to allocate State and local funds to each Title I school that ensures that the school receives all of the State and local funds it would otherwise receive if it were not receiving Title I funds.

Condition

The District selected the per-pupil allocation methodology to demonstrate that Title I funds are supplemental to state and local funds. The District is unable to demonstrate the methodology has been implemented and that its methodology resulted in each Title I school in the District receiving all of the State and local funds it would have otherwise received if it was not receiving Title I funding.

Cause

The District's budgeting process lacks the capability to demonstrate that the District is allocating state and local funds to Title I schools on the same basis as non-Title I schools and according to the methodology selected. The District does not have a process in place to adequately track the per-pupil allocation based on the selected methodology.

Effect or potential effect

The District's is lacking a proper process for and documentation of its allocation of State and local funds to each Title I school.

Questioned Costs

Unknown

CARBON COUNTY SCHOOL DISTRICT #1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

Year Ended June 30, 2020

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

2020-001 (Continued)

Context

The District's allocation methodology was selected and submitted to the Wyoming Department of Education, however, the methodology did not have adequate support.

Identification as a Repeat Finding

This is not a repeat finding.

Recommendation

The District should determine if the methodology that has been selected is the most practical method. The District should consider choosing an alternate methodology and designing an adequate process to substantiate the methodology has been implemented.

Views of Responsible Officials

Please refer to the District's corrective action plan.

Carbon County School District One

INSPIRING EXCELLENCE –EVERY CHILD, EVERYDAY

615 Rodeo St.
Rawlins, WY 82301



(307) 328-9200
(307) 328-9258 Fax
www.crb1.net

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding: 2019-001

Status

This matter has been corrected. The food service director implemented an effective filing system for free/reduced applications.

Finding: 2019-002

Status

This matter has been corrected. The District implemented a process to review the claims for reimbursement starting in January 2019.

Carbon County School District One

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Corrective Action Plan

Finding 2020-001

Name of Contact Person – Seth Dishman, Grant Director

Corrective Action

The District is reviewing alternate methodologies that will be designed to adequately determine that the supplement not supplant requirement is being adhered to.

Proposed Completion Date – July 1, 2021