

**NATRONA COUNTY SCHOOL DISTRICT NO. 1  
CASPER, WYOMING**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2013**

**PREPARED BY DIVISION OF BUDGET AND FINANCE**

# CONTENTS

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<b>Independent Auditor’s Report</b>	1
<b>Management’s Discussion and Analysis (Unaudited)</b>	4
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet – Governmental Funds	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position – Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21
Statement of Fiduciary Net Position – Fiduciary Funds	23
Notes to Financial Statements	24
<b>Required Supplementary Information</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Non-GAAP) – General Fund	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Non-GAAP) – Program Fund	41
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Non-GAAP) – Capital Maintenance Fund	42
Note to Required Supplementary Information	43
<b>Other Supplementary Information</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – (Non-GAAP) – Capital Projects Fund	45
<b>Single Audit</b>	
Schedule of Expenditures of Federal Awards	47
Notes to the Schedule of Expenditures of Federal Awards	50
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	53
Schedule of Findings and Questioned Costs	55
Summary Schedule of Prior Year Findings	57



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

(A Corporation of Certified Public Accountants)

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## INDEPENDENT AUDITOR'S REPORT

Honorable Superintendent and  
Board of Trustees  
Natrona County School District No. 1  
Casper, Wyoming

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Natrona County School District No. 1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Natrona County School District No. 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.

To the Honorable Superintendent and Members of the Board of Trustees  
Natrona County School District No. 1  
Casper, Wyoming

### ***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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Natrona County School District No. 1, as of June 30, 2013, 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 and budgetary comparison information 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 management discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information as listed in the table of contents is the responsibility of management and was derived from and relates 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Natrona County School District No. 1's basic financial statements. The budgetary comparison information and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit* 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.

To the Honorable Superintendent and Members of the Board of Trustees  
Natrona County School District No. 1  
Casper, Wyoming

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013 on our consideration of the Natrona County School District No. 1's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Natrona County School District No. 1's internal control over financial reporting and compliance.



Porter, Muirhead, Cornia & Howard

Certified Public Accountants

Casper, Wyoming

October 29, 2013

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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As management of the Natrona County School District No. 1, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the years ended June 30, 2013. 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 \$222,728,985 at June 30, 2013, which compares to \$196,925,879 at the beginning of the fiscal year, an increase of \$25,803,106 (13%).

- During the year, the District's expenses for governmental activities were \$184,707,155.
- The District's total revenue generated in taxes, other revenues and transfers for governmental activities was \$177,853,951.
- For the District's governmental funds total expenses were \$205,873,535.
- The District's total governmental funds revenue was \$210,666,647 of which \$46,707,273 was generated in taxes.

### Overview of the Financial Statements

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

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

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

The statement of activities presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (governmental activities) as opposed to business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The District has only one business-type activity, the Enterprise Fund - Cafeteria Fund.

The District participates in oversight of the Natrona County Recreation Joint Powers Board (Recreation Board) and recognizes the Recreation Board as a component unit. The Recreation Board provides funding to the District for recreational education activities for students. They also provide funding through grants to other agencies offering recreational education for Natrona County children and youth.

**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 requirements. The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole.

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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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 the 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.

**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- and short-term financial information. The Enterprise Fund - Cafeteria Fund is the only fund in this category for the District.

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

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

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

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**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2013

(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, 2013:

	<b>Condensed Statement of Net Position</b>					
	2011-2012 Governmental Activities	2011-2012 Business-Type Activities	2011-2012 Total School District	2012-2013 Governmental Activities	2012-2013 Business-Type Activities	2012-2013 Total School District
Current and other assets	\$ 32,586,514	\$ 392,558	\$ 32,979,072	\$ 39,314,777	\$ 369,317	\$ 39,684,094
Capital assets	182,344,067	163,804	182,507,871	203,333,960	142,241	203,476,201
Total assets	214,930,581	556,362	215,486,943	242,648,737	511,558	243,160,295
Other liabilities	14,554,782	170,677	14,725,459	16,983,759	130,984	17,114,743
Long-term liabilities	3,793,098	42,507	3,835,605	3,274,481	42,086	3,316,567
Total liabilities	18,347,880	213,184	18,561,064	20,258,240	173,070	20,431,310
Net assets:						
Invested in capital assets, net of related debt	182,269,793	163,804	182,433,597	202,178,668	142,241	202,320,909
Restricted	3,715,488	-	3,715,488	3,245,971	-	3,245,971
Unrestricted	10,597,420	179,374	10,776,794	16,965,858	196,247	17,162,105
Total net position	\$ 196,582,701	\$ 343,178	\$ 196,925,879	\$ 222,390,497	\$ 338,488	\$ 222,728,985

The net investment in capital assets is \$202,320,909, which is the net book value of capital assets (e.g., land, buildings, and equipment) less related debt. 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. The unrestricted net position of \$17,162,105 may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having current and long-term commitments that are less than currently available resources.

The District's total net position increased \$25,803,106 during the year ended June 30, 2013. The total cost of all governmental activities this year was \$184,707,155 and of the business-type activity was \$5,853,907. The amount paid by the State Foundation program was \$122,412,794 or 69% of general revenues.

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# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

	<b>Change in the District's Net Position</b>					
	2011-2012 Governmental Activities	2011-2012 Business-Type Activities	2011-2012 Total School District	2012-2013 Governmental Activities	2012-2013 Business-Type Activities	2012-2013 Total School District
Revenues:						
Program revenues:						
Charges for services	\$ 142,123	\$ 2,110,127	\$ 2,252,250	\$ 131,283	\$ 2,108,787	\$ 2,240,070
Operating and capital grants and contributions	24,801,934	3,105,101	27,907,035	33,356,717	2,913,430	36,270,147
General revenues:						
Taxes	48,957,766	-	48,957,766	54,741,072	-	54,741,072
Governmental aid	120,653,832	-	120,653,832	123,095,281	-	123,095,281
Miscellaneous	20,699	77	20,776	17,598	-	17,598
<b>Total revenues</b>	<b>194,576,354</b>	<b>5,215,305</b>	<b>199,791,659</b>	<b>211,341,951</b>	<b>5,022,217</b>	<b>216,364,168</b>
Expenses:						
Regular instruction	(78,644,463)	-	(78,644,463)	(79,449,780)	-	(79,449,780)
Special ed instruction	(29,183,308)	-	(29,183,308)	(28,405,105)	-	(28,405,105)
Vocational ed instruction	(1,449,966)	-	(1,449,966)	(1,485,228)	-	(1,485,228)
Pupil services	(13,223,746)	-	(13,223,746)	(13,454,569)	-	(13,454,569)
Instructional staff services	(14,381,632)	-	(14,381,632)	(11,225,947)	-	(11,225,947)
General admin services	(2,892,475)	-	(2,892,475)	(1,583,374)	-	(1,583,374)
School admin services	(9,734,122)	-	(9,734,122)	(11,035,996)	-	(11,035,996)
Business services	(2,513,369)	-	(2,513,369)	(2,559,354)	-	(2,559,354)
O & M of plant services	(26,606,369)	-	(26,606,369)	(22,143,177)	-	(22,143,177)
Pupil transportation	(10,492,885)	-	(10,492,885)	(8,576,476)	-	(8,576,476)
Central services	(4,132,996)	-	(4,132,996)	(4,530,778)	-	(4,530,778)
Other support services	(187,350)	-	(187,350)	(165,910)	-	(165,910)
Interest on long term debt	(187,728)	-	(187,728)	(91,461)	-	(91,461)
Food services	-	(6,095,717)	(6,095,717)	-	(5,853,907)	(5,853,907)
<b>Total expenses</b>	<b>(193,630,409)</b>	<b>(6,095,717)</b>	<b>(199,726,126)</b>	<b>(184,707,155)</b>	<b>(5,853,907)</b>	<b>(190,561,062)</b>
Excess (deficiency) of revenues over expenses	945,945	(880,412)	65,533	26,634,796	(831,690)	25,803,106
Transfers	(647,030)	647,030	-	(827,000)	827,000	-
<b>Change in net position</b>	<b>298,915</b>	<b>(233,382)</b>	<b>65,533</b>	<b>25,807,796</b>	<b>(4,690)</b>	<b>25,803,106</b>
Net position -						
beginning of year	196,283,786	576,560	196,860,346	196,582,701	343,178	196,925,879
<b>Net position - end of year</b>	<b>\$ 196,582,701</b>	<b>\$ 343,178</b>	<b>\$ 196,925,879</b>	<b>\$ 222,390,497</b>	<b>\$ 338,488</b>	<b>\$ 222,728,985</b>

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

(Unaudited)

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

#### ***Governmental Funds***

##### ***General Fund***

The General Fund receives a majority of its revenue through the State of Wyoming School Foundation Block Grant. The Block Grant is comprised of tax collections and a foundation entitlement. Taxes for the year were \$46,707,273 or 27% of total general revenue, and the foundation entitlement was \$122,412,794 or 71% of total General Fund revenue. The District expended \$99,007,109 on student instruction through the General Fund. This represents 61% of this fund's total expenditures. The balance of expenditures is in support of class room instruction.

##### ***Program Fund***

The Program Fund experienced a 28% decrease in program grant revenues. Federal grants accounted for the majority of this decrease.

##### ***Capital Maintenance Fund***

The funding for this activity remains stable and is provided by the State of Wyoming to do major maintenance on existing District facilities.

##### ***Capital Projects***

During the year, the District completed construction on a new elementary school, continued construction on a new elementary school, and one new middle school. The funding for these projects is provided by State Capital Construction grants from the State of Wyoming.

#### ***Proprietary Funds***

##### ***Cafeteria Fund***

The District experienced an anticipated loss in the operation of this program. The District will continue to use a combination of meal price increases, cost containment, fund transfers and State assistance to return this activity to self-sufficiency.

##### ***Budgetary Highlights***

Routine budget transfers occurred during the fiscal year ended June 30, 2013. These transfers did not increase or decrease the overall budget.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

June 30, 2013

(Unaudited)

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**Capital Assets**

**District's Capital Assets (Governmental Activities) (Net of depreciation)**

	2011-2012	2012-2013
Land and improvements	\$ 25,727,982	\$ 30,081,386
Buildings and improvements	146,630,588	143,678,472
Equipment	1,625,008	1,455,115
Vehicles	4,294,790	4,254,879
Construction in progress	4,065,699	23,864,108
Total	<u>\$ 182,344,067</u>	<u>\$ 203,333,960</u>

**Long-term debt**

The following is a summary of the governmental funds debt transactions of the District for the year ended June 30, 2013:

Debt outstanding at July 1, 2012	\$ 5,657,460
New debt issued	1,781,283
Debt retired	1,940,626
Debt outstanding at June 30, 2013	<u>\$ 5,498,117</u>

**Factors Affecting the District's Future**

The District receives approximately 75% of its revenues from state and federal sources. This means a significant portion of the District's resources come from sources outside of the control of the Board of Trustees. Obtaining sufficient resources to educate the students of Natrona County will largely be dependent on the state and federal agencies currently providing funding.

**Requests 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 the Superintendent, Steve Hopkins, 970 North Glenn Road, Casper, WY 82601.

**BASIC FINANCIAL STATEMENTS**

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**STATEMENT OF NET POSITION**

June 30, 2013

	Primary Government			Recreation Board
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 29,785,248	\$ 203,114	\$ 29,988,362	\$ 1,461,417
Property taxes receivable	723,241	-	723,241	20,887
Due from other governments	7,109,300	57,016	7,166,316	-
Prepaid expenses	389,863	-	389,863	-
Inventories	521,125	109,187	630,312	-
Asset held on behalf of the State of Wyoming	786,000	-	786,000	-
Land	20,534,445	-	20,534,445	-
Construction in progress	23,864,108	-	23,864,108	-
Capital assets, being depreciated, net	158,935,407	142,241	159,077,648	-
Total assets	<u>242,648,737</u>	<u>511,558</u>	<u>243,160,295</u>	<u>1,482,304</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	10,390,424	128,311	10,518,735	-
Accrued wages payable	3,583,699	159	3,583,858	-
Due to other government	786,000	-	786,000	-
Noncurrent liabilities				
Due within one year	2,223,636	2,514	2,226,150	-
Due in more than one year	3,274,481	42,086	3,316,567	-
Total liabilities	<u>20,258,240</u>	<u>173,070</u>	<u>20,431,310</u>	<u>-</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	202,178,668	142,241	202,320,909	-
Restricted for				
Federal, state, and local grants	695,093	-	695,093	1,482,304
Major maintenance - WS 21-15-109	2,550,878	-	2,550,878	-
Unrestricted	16,965,858	196,247	17,162,105	-
Total net position	<u>\$ 222,390,497</u>	<u>\$ 338,488</u>	<u>\$ 222,728,985</u>	<u>\$ 1,482,304</u>

See accompanying notes to the financial statements

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013

Function/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction				
Regular	\$ 79,449,780	\$ 131,283	\$ 4,117,278	\$ -
Special	28,405,105	-	5,661,259	-
Vocational education	1,485,228	-	171,553	-
Support services				
Pupil services	13,454,569	-	-	-
Instructional staff services	11,225,947	-	6,519,025	-
General administration services	1,583,374	-	171,553	-
School administration services	11,035,996	-	514,660	-
Business services	2,559,354	-	-	-
Operation and maintenance of plant services	22,143,177	-	-	-
Pupil transportation services	8,576,476	-	-	-
Central services	4,530,778	-	-	16,201,389
Other support services	165,910	-	-	-
Interest on long-term debt	91,461	-	-	-
Total governmental activities	<u>184,707,155</u>	<u>131,283</u>	<u>17,155,328</u>	<u>16,201,389</u>
Business-type activities				
Food Service Fund	5,853,907	2,108,787	2,913,430	-
Total business-type activities	<u>5,853,907</u>	<u>2,108,787</u>	<u>2,913,430</u>	<u>-</u>
Total primary government	<u>\$ 190,561,062</u>	<u>\$ 2,240,070</u>	<u>\$ 20,068,758</u>	<u>\$ 16,201,389</u>
Component unit				
Recreation Board	1,410,183	-	-	-
	<u>\$ 1,410,183</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for specific purpose				
Federal, State and Local aid not restricted to specific purposes				
State Foundation Program				
Other state sources				
Other sources				
Interest and investment earnings				
Transfers				
Subtotal, general revenues				
Change in net assets				
Net position - beginning of year				
Net position - end of year				

See accompanying notes to the financial statements

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Recreation Board</u>
\$ (75,201,219)	\$ -	\$ (75,201,219)	\$ -
(22,743,846)	-	(22,743,846)	-
(1,313,675)	-	(1,313,675)	-
(13,454,569)	-	(13,454,569)	-
(4,706,922)	-	(4,706,922)	-
(1,411,821)	-	(1,411,821)	-
(10,521,336)	-	(10,521,336)	-
(2,559,354)	-	(2,559,354)	-
(22,143,177)	-	(22,143,177)	-
(8,576,476)	-	(8,576,476)	-
11,670,611	-	11,670,611	-
(165,910)	-	(165,910)	-
(91,461)	-	(91,461)	-
<u>(151,219,155)</u>	<u>-</u>	<u>(151,219,155)</u>	<u>-</u>
-	<u>(831,690)</u>	<u>(831,690)</u>	<u>-</u>
<u>-</u>	<u>(831,690)</u>	<u>(831,690)</u>	<u>-</u>
<u>(151,219,155)</u>	<u>(831,690)</u>	<u>(152,050,845)</u>	<u>-</u>
-	-	-	<u>1,410,183</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,410,183</u>
48,741,955	-	48,741,955	-
5,999,117	-	5,999,117	1,500,978
122,412,794	-	122,412,794	-
80,298	-	80,298	-
602,189	-	602,189	-
17,598	-	17,598	533
(827,000)	827,000	-	-
<u>177,026,951</u>	<u>827,000</u>	<u>177,853,951</u>	<u>1,501,511</u>
25,807,796	(4,690)	25,803,106	91,328
<u>196,582,701</u>	<u>343,178</u>	<u>196,925,879</u>	<u>1,390,976</u>
<u>\$ 222,390,497</u>	<u>\$ 338,488</u>	<u>\$ 222,728,985</u>	<u>\$ 1,482,304</u>

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

	<u>General</u>	<u>Program Fund</u>	<u>Capital Maintenance Fund</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,475,692	\$ -	\$ 3,309,556
Property tax receivable	723,241	-	-
Due from other governments	-	2,445,927	-
Due from other funds	1,462,859	-	-
Prepaid expenses	389,863	-	-
Inventories	521,125	-	-
Asset held on behalf of the State of Wyoming	786,000	-	-
	<u>\$ 30,358,780</u>	<u>\$ 2,445,927</u>	<u>\$ 3,309,556</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts and contracts payable	\$ 5,043,322	\$ 551,768	\$ 750,466
Accrued wages payable	3,369,665	214,034	-
Due to other funds	-	985,032	8,212
Due to other government	786,000	-	-
Total liabilities	<u>9,198,987</u>	<u>1,750,834</u>	<u>758,678</u>
Fund balances			
Nonspendable			
Prepaid expenses	389,863	-	-
Inventory	521,125	-	-
Restricted for			
Federal, state, and local grants	-	695,093	-
Major maintenance projects - WS 21-15-109	-	-	2,550,878
Committed to			
Capital projects and other	2,207,049	-	-
Assigned	9,445,677	-	-
Unassigned	8,596,079	-	-
	<u>21,159,793</u>	<u>695,093</u>	<u>2,550,878</u>
Total fund balances	<u>\$ 30,358,780</u>	<u>\$ 2,445,927</u>	<u>\$ 3,309,556</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

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

Reimbursements from School Facilities Department - current year

Long-term liabilities, including bonds payable and lease purchase obligations are not due and payable in the current period and therefore are not reported in the funds.

Net position of governmental activities

See accompanying notes to the financial statements

Capital Projects Fund	Total Governmental Funds
\$ -	\$ 29,785,248
-	723,241
3,752,129	6,198,056
-	1,462,859
-	389,863
-	521,125
-	786,000
<u>\$ 3,752,129</u>	<u>\$ 39,866,392</u>

\$ 4,044,868	\$ 10,390,424
-	3,583,699
469,615	1,462,859
-	786,000
<u>4,514,483</u>	<u>16,222,982</u>

-	389,863
-	521,125
-	695,093
-	2,550,878
-	2,207,049
-	9,445,677
(762,354)	7,833,725
<u>(762,354)</u>	<u>23,643,410</u>
<u>\$ 3,752,129</u>	

203,333,960

911,244

(5,498,117)  
\$ 222,390,497

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2013

	General Fund	Program Fund	Capital Maintenance Fund
<b>Revenues</b>			
Taxes	\$ 46,707,273	\$ -	\$ -
Intergovernmental revenues	124,704,805	17,155,329	5,999,118
Charges for services	131,283	-	-
Miscellaneous	619,214	-	-
Investment income	12,399	-	5,198
<b>Total revenues</b>	<b>172,174,974</b>	<b>17,155,329</b>	<b>6,004,316</b>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular	75,062,335	3,895,534	-
Special	22,684,204	5,720,903	-
Vocational education	1,260,570	237,431	-
<b>Support services</b>			
Pupil services	13,421,977	52,439	-
Instructional staff services	4,691,612	6,534,335	-
General administration services	1,328,446	254,928	-
School administration services	10,547,907	480,520	-
Business services	2,450,585	-	-
Operation and maintenance of plant services	16,038,994	-	6,453,072
Pupil transportation services	8,553,707	-	-
Central services	4,137,968	-	-
Other support services	165,910	-	-
Facilities, acquisitions and construction services	-	-	-
<b>Debt service</b>			
Principal	1,630,271	-	-
Interest	91,461	-	-
<b>Total expenditures</b>	<b>162,065,947</b>	<b>17,176,090</b>	<b>6,453,072</b>
Excess (deficiency) of revenues over expenditures	10,109,027	(20,761)	(448,756)
<b>Other financing resources (uses)</b>			
Transfers out	(4,240,926)	-	-
Transfers in	-	-	-
<b>Total other financing sources</b>	<b>(4,240,926)</b>	<b>-</b>	<b>-</b>
Net change in fund balances	5,868,101	(20,761)	(448,756)
Fund balances (deficits) - beginning of year	15,291,692	715,854	2,999,634
Fund balances (deficits) - end of year	<b>\$ 21,159,793</b>	<b>\$ 695,093</b>	<b>\$ 2,550,878</b>

See accompanying notes to the financial statements

Capital Projects Fund	Total Governmental Funds
\$ -	\$ 46,707,273
15,332,028	163,191,280
-	131,283
-	619,214
-	17,597
15,332,028	210,666,647
-	78,957,869
-	28,405,107
-	1,498,001
-	13,474,416
-	11,225,947
-	1,583,374
-	11,028,427
-	2,450,585
-	22,492,066
-	8,553,707
-	4,137,968
-	165,910
20,178,426	20,178,426
-	1,630,271
-	91,461
20,178,426	205,873,535
(4,846,398)	4,793,112
-	(4,240,926)
3,413,926	3,413,926
3,413,926	(827,000)
(1,432,472)	3,966,112
670,118	19,677,298
\$ (762,354)	\$ 23,643,410

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2013**

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

Net change in fund balances - total governmental funds		\$ 3,966,112
<p>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 exceeded the depreciation expense and loss on disposal of buildings in the current period.</p>		
Capital outlay	\$ 29,501,782	
Reclassification of prior year construction in progress to fixed assets	(1,701,873)	
Loss on disposal of vehicles	(17,142)	
Depreciation expense	<u>(6,792,874)</u>	20,989,893
<p>Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		1,630,272
<p>Long-term liabilities for compensated absences and retainages are not due and payable in the current period and therefore are not reported in the funds.</p>		
Retainage payable - current year	(1,155,292)	
Retainage payable - prior year	74,274	
Compensated absences - current year	(3,336,602)	
Compensated absences - prior year	<u>2,946,691</u>	(1,470,929)
<p>Revenues in the statement of activities that do not provide current financial revenues are not reported as revenues in the funds.</p>		
Property tax revenue - prior year	(176,916)	
Reimbursements from School Facilities Department - current year	911,244	
Reimbursements from School Facilities Department - prior year	<u>(41,880)</u>	<u>692,448</u>
Change in net position of governmental activities		<u><u>\$ 25,807,796</u></u>

See accompanying notes to the financial statements

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

June 30, 2013

	<u>Business-Type Activities- Enterprise Fund Cafeteria Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 203,114
Due from other governments	57,016
Inventories	109,187
Total current assets	<u>369,317</u>
Noncurrent assets	
Machinery and equipment, net of accumulated depreciation	<u>142,241</u>
Total assets	<u>511,558</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	128,311
Accrued wages payable	159
Compensated absences	44,600
Total current liabilities	<u>173,070</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	142,241
Unrestricted	<u>196,247</u>
Total net position	<u>\$ 338,488</u>

See accompanying notes to the financial statements

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 Year Ended June 30, 2013

	Business-Type Activities- Enterprise Fund Cafeteria Fund
Operating revenues	
Charges for services	\$ 2,108,787
Total operating revenues	2,108,787
Operating expenses	
Salaries	1,720,596
Benefits	1,098,344
Direct food costs including supplies and maintenance	3,013,405
Depreciation expense	21,562
Total operating expenses	5,853,907
Net loss from operations	(3,745,120)
Nonoperating revenues	
Federal subsidy	2,913,430
Total nonoperating revenues	2,913,430
Net loss before transfers	(831,690)
Transfers in	827,000
Change in position assets	(4,690)
Net position - beginning of year	343,178
Net position - end of year	\$ 338,488

See accompanying notes to the financial statements

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year Ended June 30, 2013

	Business-Type Activities- Enterprise Fund Cafeteria Fund
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 2,108,787
Payments to suppliers for goods and services	(2,723,607)
Payments to employees for services	(2,824,727)
	(3,439,547)
Net cash and cash equivalents used in operating activities	(3,439,547)
Cash Flows from Noncapital Financing Activities	
Operating transfers in	827,000
Federal subsidy	2,652,167
Net cash and cash equivalents provided by noncapital financing activities	3,479,167
Net increase in cash and cash equivalents	39,620
Cash and cash equivalents - beginning of year	163,494
Cash and cash equivalents - end of year	\$ 203,114

See accompanying notes to the financial statements

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF CASH FLOWS (CONTINUED)  
 PROPRIETARY FUNDS

Year Ended June 30, 2013

	Business-Type Activities- Enterprise Fund Cafeteria Fund <hr style="border: 0.5px solid black;"/>
Reconciliation of operating loss to net cash and cash equivalents used in operating activities	
Operating loss	\$ (3,745,120)
Adjustments to reconcile operating loss to net cash and cash equivalents used in operating activities	
Depreciation	21,563
USDA commodities received without payment	280,960
Decrease in cash and cash equivalents resulting from changes in operating assets and liabilities	
Inventories	43,164
Accounts payable	(34,327)
Accrued wages payable	(5,067)
Compensated absences	(720)
Net cash and cash equivalents used in operating activities	<u><u>\$ (3,439,547)</u></u>
 Schedule of non-cash transactions	
USDA commodities valued at \$280,960 at June 30, 2013.	

See accompanying notes to the financial statements

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

June 30, 2013

	<u>Agency Fund</u> <u>Student</u> <u>Activities</u>
<b>ASSETS</b>	
Cash	\$ 1,792,354
Total assets	<u>1,792,354</u>
<b>LIABILITIES</b>	
Accounts payable	68,663
Due to student groups	<u>1,723,691</u>
Total liabilities	<u>1,792,354</u>
<b>NET POSITION</b>	
Restricted	<u>-</u>
Total net position	<u><u>\$ -</u></u>

See accompanying notes to the financial statements

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

Natrona County School District No. 1 serves constituents of the City of Casper as well as a number of other communities within Natrona County, Wyoming. The District provides public education for students from kindergarten through grade twelve in four senior high schools, eight junior/middle schools, twenty-two elementary schools and four rural schools.

The District's Board of Trustees has responsibility over all activities related to public elementary and secondary school education within Natrona County. The District receives funding from federal, state and local government sources and must comply with requirements from these funding sources. 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 District and its component unit, an entity for which the District is considered financially accountable. The discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the District.

#### ***Discretely Presented Component Unit***

The District has participated in the creation of the Natrona County Recreation Joint Powers Board (Recreation Board) as authorized by Wyoming Statutes. Three out of five members of the governing body of the Recreation Board are members of the District's Board of Trustees. The Recreation Board does not have a quorum without the three members of the District's Board of Trustees. The Recreation Board is a separate legal entity and is accountable for its own activities. The Natrona County Recreation Joint Powers Board does not issue separate financial statements.

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

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the primary government and its component unit. 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. Likewise, the primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

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.

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.

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

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

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

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

The District reports the following major governmental funds:

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

The *program fund* is a special revenue fund that accounts for the proceeds of specific federal, state, and local grant sources that are legally restricted to expenditure for specified purposes. The *program fund* also accounts for the proceeds from capital maintenance property taxes levied on the District's behalf and the State's matching funds. Capital maintenance expenditures associated with these sources are recorded in this fund.

The *capital maintenance fund* is a special revenue fund that accounts for the proceeds from capital maintenance property taxes levied on the District's behalf and the State's matching funds. Capital maintenance expenditures provided for these sources are recorded in this fund. The District recognizes this as a special revenue fund.

The *capital projects fund* accounts for the proceeds of specific revenue sources that are restricted to expenditures for the construction and renovation of several school and district facilities. The fund also accounts for the associated acquisition of land for new building construction. The *capital projects fund* also accounts for the accumulation of resources for, and the payment of expenditures associated with technological improvements throughout the District.

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

---

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

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

The District reports the following major proprietary fund:

The *cafeteria fund* accounts for the activities of the District's cafeterias, which prepare and serve breakfast and lunch to District students. Major sources of revenue include charges for services and operating grants from the Federal government.

Additionally, the District reports the following fund:

The *student activity fund* is an agency fund used to account for the District's many student activities. The District's responsibility for these activities is fiduciary in nature.

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

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

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

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

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

Effective this reporting period is GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (GASB 62). This statement brings the authoritative accounting and financial reporting literature for state and local governments together in a single source, with the FASB and AICPA guidance modified as necessary to appropriately recognize the governmental environment and the needs of governmental financial statement users. GASB No. 62 resulted in a more consistent application of applicable guidance in financial statements of state and local governments. This statement also supersedes GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

#### ***Implementation of Governmental Accounting Standards Board (GASB) Statements No. 63 and 65***

During the year ended June 30, 2013, the Natrona County School District No. 1 implemented a new accounting standard, GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, resulting in a change to the Natrona County School District No. 1's financial reporting.

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

##### ***Cash and Cash Equivalents***

For the purpose of the statement of cash flows, the District considers all cash on hand and demand deposits to be cash equivalents.

##### ***Accounts Receivable***

The District considers all accounts receivable to be fully collectible at June 30, 2013 and, therefore no allowance for doubtful accounts is deemed necessary.

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

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

##### ***Property Taxes***

Property taxes attach as an enforceable lien on property as of May 11 of each year. Property taxes are levied on or about August 1 and are due 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 as well as taxes for all municipalities and political subdivisions within the County, including Natrona County School District No. 1. District property tax revenues are recognized when levied to the extent that they result in current receivables, which means when collected within the current period or expected to be collected within 60 days of the fiscal year end to be used to pay liabilities of the current period.

The District is permitted by Wyoming Statutes to levy taxes up to twenty-five mills of assessed valuation for all school purposes, exclusive of bond interest and redemption. An additional six mills may be levied, up to two mills with the approval of the Board of Trustees and up to four mills with the approval of a majority of the voters, and up to one mill with the approval of the Recreation Board. The combined tax rate related to financing general school services other than the payment of principal and interest on long-term debt for the year ended June 30, 2013 was thirty-two mills all of which was levied.

NATRONA COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

***Inventories and Prepaid Items***

Inventory is valued at average cost. Inventory in the General Fund consists of expendable supplies held for consumption. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

Proprietary fund inventories are accounted for using the consumption method by which inventory acquisitions are recorded in inventory accounts when purchased or received by other means and are charged to expense when consumed or sold. Inventory in the Lunch Fund consists of food product including USDA food commodities held for consumption.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

***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 \$100,000 for buildings and building improvements, \$50,000 for land and land improvements, \$5,000 for machinery and equipment and vehicles, 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.

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

Land improvements	20 years
Buildings and building improvements	25 – 50 years
Machinery and equipment	5 – 20 years
Vehicles	5 – 12 years

***Compensated Absences***

The District's permanent classified and certified staff, including administrators, earn nine to twelve days sick leave a year with unlimited accumulation. When a classified or certified employee or administrator leaves the District, all days accumulated above 50 are paid at \$40, \$55 or \$60 a day, respectively.

All administrators are entitled to vacation leave at the beginning of their contract year. Administrators are not paid for unused vacation leave when they quit or retire. Also, Administrators cannot carry-over unused vacation from one contract year to the next. Classified staff earns vacation leave on a graduated scale depending on the length of service. At a minimum, one-half of the earned days must be taken within the year earned. The remainder is vested and can be accumulated up to a maximum of 30 days.

# NATRONA COUNTY SCHOOL DISTRICT NO. 1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

##### *Compensated Absences (Continued)*

All accumulated vacation and vested sick leave pay, along with applicable employee benefits, are accrued when incurred in the government-wide and proprietary statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### *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.

##### *Fund Balances*

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. The major maintenance fund balance is restricted by Wyoming State Statute 21-15-109. Committed fund balance is a limitation imposed by the District's Board of Trustees, the highest level of authority, through approval in the minutes. The District does not have a written policy to assign amounts to a specific purpose; however the Board considers the Board's budget reserve and the District encumbrances as assigned amounts. 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.

The capital project fund has a deficit fund balance as of June 30, 2013. This deficit will be financed through transfers from the Board's general fund budget priorities.

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.

NATRONA COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

**Fund Balances(Continued)**

At June 30, 2013 the District's general fund assigned fund balance consisted of the Board's budget reserve and District encumbrances in the amounts of \$7,825,000 and \$1,620,677, respectively.

The District's general fund committed balances comprise of the Board's budget priorities which consisted of the following as of June 30, 2013:

CAPS - Program Development & Leadership	\$ 406,804
Contingency for Unfunded Items Related to the High Schools Renovation & Construction	1,149,236
NCHS Campus - Property Acquisition	651,009
Total Committed	<u><u>\$ 2,207,049</u></u>

**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position*

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that “Long-term liabilities, including bonds payable and lease purchase obligations, are not due and payable in the current period and; therefore, are not reported in the funds.” The details of this \$(5,498,117) difference are as follows:

Compensated absences	\$ (3,336,602)
Capital lease obligations	(1,006,223)
Retainage payable	(1,155,292)
	<u><u>\$ (5,498,117)</u></u>

**Note 3. Stewardship, Compliance, and Accountability**

***Budgets and Budgetary Accounting***

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

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

NATRONA COUNTY SCHOOL DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 3. Stewardship, Compliance and Accountability (Continued)**

***Budgets and Budgetary Accounting (Continued)***

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

Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds.

Budgets for the General, Special Revenue and Capital Project Fund are adopted on a cash basis (NON-GAAP). Such basis is not consistent with generally accepted accounting principles (GAAP).

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

**Note 4. Cash**

***Custodial credit risk – deposits***

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. Neither the District nor Recreation Board, a discretely presented component unit, has a deposit policy for custodial credit risk; however, Wyoming State statute §9-4-820 requires all political subdivisions to collateralize bank deposits in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2013, the District's bank balances in excess of FDIC were collateralized with securities held by the pledging financial institution's trust department or agent, in joint custody of the bank and the District.

**Note 5. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds:

	Receivables	Payables
General Fund	\$ 1,462,859	\$ -
Program Fund	-	985,032
Capital Maintenance Fund	-	8,212
Capital Projects Fund	-	469,615
	<u>\$ 1,462,859</u>	<u>\$ 1,462,859</u>

These balances resulted from the time lag between the dates that (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.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 5. Interfund Receivables, Payables, and Transfers (Continued)**

Transfers:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ -	\$ 4,240,926
Capital Projects Fund	3,413,926	-
Cafeteria Fund	827,000	-
	<u>\$ 4,240,926</u>	<u>\$ 4,240,926</u>

Interfund transfers reflect the general fund's support of other specific District activities accounted for in the Capital Projects Fund and Cafeteria Fund approved by the Board of Trustees.

**Note 6. Capital Assets**

A summary of changes in governmental-activities capital assets are follows:

	<u>Primary Government</u>			
	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2013</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 16,590,591	\$ 3,943,854	\$ -	\$ 20,534,445
Construction in progress	4,065,699	21,677,381	1,878,972	23,864,108
Total capital assets, not being depreciated	<u>20,656,290</u>	<u>25,621,235</u>	<u>1,878,972</u>	<u>44,398,553</u>
Capital assets, being depreciated				
Land improvements	11,341,654	996,261	-	12,337,915
Buildings and improvements	214,910,566	1,990,073	-	216,900,639
Machinery and equipment	6,471,927	193,223	-	6,665,150
Vehicles	10,649,255	878,089	516,831	11,010,513
Total capital assets being depreciated	<u>243,373,402</u>	<u>4,057,646</u>	<u>516,831</u>	<u>246,914,217</u>
Less accumulated depreciation for				
Land improvements	2,204,263	586,711	-	2,790,974
Buildings and improvements	68,279,978	4,942,189	-	73,222,167
Machinery and equipment	4,846,919	363,116	-	5,210,035
Vehicles	6,354,465	900,858	499,689	6,755,634
Total accumulated depreciation	<u>81,685,625</u>	<u>6,792,874</u>	<u>499,689</u>	<u>87,978,810</u>
Total capital assets, being depreciated, net	<u>161,687,777</u>	<u>(2,735,228)</u>	<u>17,142</u>	<u>158,935,407</u>
Governmental activities capital assets, net	<u>\$ 182,344,067</u>	<u>\$ 22,886,007</u>	<u>\$ 1,896,114</u>	<u>\$ 203,333,960</u>

The depreciation expense for governmental activities in the amounts of \$5,626,489, \$142,113, \$7,570, \$115,844, and \$900,858, was charged to operation and maintenance of plant services, regular instruction, student activities, business services, and pupil transportation services, respectively.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 6. Capital Assets (Continued)**

Summary of changes in business-type activities capital assets are as follows:

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Business-type activities				
Capital assets being depreciated				
Machinery and equipment	\$ 823,247	\$ -	\$ -	\$ 823,247
Total capital assets being depreciated	823,247	-	-	823,247
Less accumulated depreciation for				
Machinery and equipment	659,443	21,563	-	681,006
Total accumulated depreciation	659,443	21,563	-	681,006
Business-type activities capital assets, net	\$ 163,804	\$ (21,563)	\$ -	\$ 142,241

**Note 7. Long-term Debt**

Wyoming Statute §21-13-703 limits the amount of indebtedness for the District to not more than 10% of the assessed value of taxable property within the District. The District complied with this debt limitation.

The following is a summary of debt transactions of the District for the year ended June 30, 2013.

	Balance June 30, 2012	New Debt Incurred	Debt Retired	Balance June 30, 2013	Due Within One Year
Governmental Activities					
Compensated absences	\$ 2,946,691	\$ 625,991	\$ 236,080	\$ 3,336,602	\$ 188,075
Capital leases	2,636,495	-	1,630,272	1,006,223	880,269
Retainage payable	74,274	1,155,292	74,274	1,155,292	1,155,292
	<u>\$ 5,657,460</u>	<u>\$ 1,781,283</u>	<u>\$ 1,940,626</u>	<u>\$ 5,498,117</u>	<u>\$ 2,223,636</u>
Business-type Activities					
Compensated absences	\$ 45,320	\$ 2,436	\$ 3,156	\$ 44,600	\$ 2,514

Long-term debt related to governmental activities is generally liquidated by the general fund except for the retainage payable which is liquidated by the major maintenance or capital projects fund.

Assets purchased under capital leases are not capitalized as depreciable assets because the cost of each individual asset is less than the District's capitalization policy.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 7. Long-term Debt (Continued)**

Debt outstanding at June 30, 2013 is comprised of the following issues:

***Capital Leases Payable***

Lease/purchase for Xerox copiers, due in annual payments of \$151,144 at 1.81% interest through April 2015	\$ 272,349
Lease/purchase for Apple computers, due in annual payments of \$752,220 at 2.50% interest through August 2013	733,874
	\$ 1,006,223

Future minimum lease payments under capital leases together with the present value of net minimum lease payments as of June 30, 2013 are as follows:

Year ended June 30,	
2014	\$ 903,364
2015	125,953
Total minimum payments	1,029,317
Less amount representing interest	23,094
Net future minimum lease payments	\$ 1,006,223

**Note 8. Retirement Commitments**

The District's full-time and regular part-time employees participate in the Wyoming Retirement System (System), a cost-sharing multiple-employer public employee retirement system. The plan provides retirement benefits at age 60 with early retirement options available. The plan also provides disability and death benefits. Benefits are established by state statute. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Wyoming Retirement System, 6101 Yellowstone Road, Fifth Floor, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

The System statutorily requires 14.12% of the covered employee's salary to be contributed to the plan of which 1.43% is paid by the employee and the remaining 12.69% is paid by the District. The District's contributions to the System for the years ended June 30, 2013, 2012 and 2011 were \$13,780,051, \$13,760,974 and \$13,337,178, respectively, equal to the required contributions for each year.

In addition, District employees are eligible to participate voluntarily in a 403(b) annuity plan and the state sponsored 457 deferred compensation plans. Both of the plans are sponsored by Wyoming Retirement System. As a part the employee benefit package, the District matches up to \$36 for all insurance eligible employees who elect to contribute to the deferred compensation plan.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 9. Risk Management Programs**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. As a result, the District carries a number of commercial insurance policies covering these and other risks. Policy limits include approximately \$263,840,000 on real and personal property; \$10,500,000 on computer equipment and media; \$1,150,000 on musical equipment; \$3,000,000 general liability aggregate; \$1,000,000 commercial auto liability; \$3,000,000 employee benefit liability aggregate; \$2,000,000 errors and omissions aggregate; \$1,000,000 excess liability; \$500,000 on employee dishonesty; and \$500,000 on forgery and alterations. The District also participates in two other risk management programs: Workers' Compensation Act and Unemployment Compensation Act.

Wyoming Statute §27-14-101 created the Wyoming Workers' Compensation Act, which is administered as an Enterprise Fund by the State of Wyoming. All employers within the State of Wyoming are participants of this plan unless the employer elects not to be covered under the plan. This act requires the District to obtain liability coverage for payment of benefits to employees for job-related injuries and diseases through the Workers' Compensation Fund. This act provides general protection from suits filed by employees against the District. The District makes monthly payments to the Department of Employment, State of Wyoming. This amount is based on salaries and a split rate between hazardous and non-hazardous positions. Amounts paid by the District to the State for Worker's Compensation during fiscal year 2013 were approximately \$973,615.

Wyoming Statute §27-3-101 created the Unemployment Compensation Act. This act requires the District to pay the cost of actual claims incurred. Changes in the balances of claim liabilities during fiscal year 2013 are as follows for the District's participation in the Unemployment Compensation Act Program:

	2013
Unpaid claims, beginning of fiscal year	\$ -
Incurred claims	116,889
Claim payments	(116,889)
Unpaid claims, end of fiscal year	<u>\$ -</u>

**Note 10. Insurance Benefits**

The District participates in the State of Wyoming employee medical, life and dental insurance program that is co-administered with a third-party health provider/claim service company. The State self-insures medical and dental costs and assumes all the risk for claims incurred by plan participants. The State does not retain any risk of loss for the life insurance plan as the insurance provider assumes all the risk for claims incurred by participants.

The District contributes \$636 per month for single participant, \$1,262 for a participant plus a spouse, \$966 for a participant plus children, \$1,442 per participating family, or \$720 for married couples both of which are employed by the District or another State agency for insurance premiums for covered participants towards these plans. Participants are responsible for paying premium charges in excess of this amount. The District contributed \$26,069,630 to this plan for the year ended June 30, 2013.

The District participates in a long-term disability program and contributes 100% of the premium per month for each eligible employee at the rate of \$0.257 per \$100 of payroll. The District does not retain any risk of loss for the long-term disability program as the insurance carrier assumes all the risk for claims incurred by participants.

Additionally, the District contributed .6% of benefited payroll to the State as a subsidy for retiree benefits. The required contribution for the year ended June 30, 2013 was \$584,269.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**Note 11. Commitments and Contingencies**

The District is involved in ongoing litigation and several asserted claims. The District's insurance provides coverage for these claims; however, the District may be liable for its \$100,000 deductible related to any specific case. This aggregate deductible has not been accrued since the outcome of these matters is not presently determinable. In management's opinion, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

At June 30, 2013, the District had several outstanding construction contracts. The District has engaged construction companies to build schools and perform certain capital maintenance and remodeling projects. The following projects are currently in progress or have been completed at June 30, 2013:

Project	Contract Amount	Completed	Outstanding
Major maintenance	\$ 94,150	\$ 52,886	\$ 41,264
Dean Morgan Middle School	8,553,118	4,402,271	4,150,847
New High School	1,787,709	479,711	1,307,998
Southridge Elementary	10,688,437	9,130,592	1,557,845
NCHS Renovations	13,630,418	2,401,671	11,228,747
KHWS Renovations	16,928,485	2,584,222	14,344,263
Bar Nunn Bus Loop	24,800	16,975	7,825
Roosevelt High School	1,068,056	286,600	781,456
North Casper Elementary	1,082,160	508,788	573,372
Pineview Elementary	913,429	67,374	846,055
Total	<u>\$ 54,770,762</u>	<u>\$ 19,931,090</u>	<u>\$ 34,839,672</u>

In December 2004, the District purchased a parcel of land for the development of the Fort Casper Elementary School. The total purchase of this land, including expenses such as land appraisals and archeological investigation, was \$1,666,888 and was reimbursed by the State School Facilities Department. This land was determined to be unsuitable as a building site for the Fort Casper Elementary School. In April 2006, the District purchased a more suitable site for the Fort Casper Elementary School for \$1,570,000. The District has entered into an agreement with the State School Facilities Department to sell the parcel of land purchased in December 2004 and to reimburse the School Facilities Division \$1,666,888 upon the sale of the property. During the fiscal year ended June 30, 2012, the District determined the value of the land decreased and reduced the value to \$786,000 based on an appraisal. The District plans to hold the land until the value increases to at least the amount originally paid.

**Note 12. Transactions with Component Unit**

During the fiscal year the District received \$985,075 from the Recreation Board for professional development.

**Note 13. Subsequent Events**

The District did not have any other subsequent events through October 29, 2013, 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, 2013.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

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**Note 14. Accounting Standards Issued, But Not Implemented**

As of June 30, 2013, the Governmental Accounting Standards Board has issued the following standards which the Natrona County School District No. 1 may implement in its next fiscal year.

Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* was issued to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Management has not concluded its assessment of the effect of implementing this guidance.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - BUDGET AND ACTUAL - (NON-GAAP)

GENERAL FUND

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 46,074,749	\$ 46,074,749	\$ 47,023,862	\$ 949,113
Intergovernmental	123,982,421	123,982,421	124,737,159	754,738
Charges for services	121,000	121,000	131,283	10,283
Interest	21,000	21,000	12,399	(8,601)
Miscellaneous	485,000	485,000	619,214	134,214
Total revenues	<u>170,684,170</u>	<u>170,684,170</u>	<u>172,523,917</u>	<u>1,839,747</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Elementary instruction	38,679,328	38,679,328	37,430,514	1,248,814
Junior high instruction	18,293,692	18,293,692	17,269,517	1,024,175
Senior high instruction	22,919,469	22,919,469	21,743,128	1,176,341
Programs for students with disabilities	19,714,433	19,714,433	19,481,374	233,059
Tuition for students with disabilities	1,500,000	1,500,000	1,230,212	269,788
Gifted and talented	350,673	350,673	323,740	26,933
Homebound instruction	200,000	200,000	203,404	(3,404)
Other special programs	2,039,042	2,039,042	1,425,457	613,585
Student activities	3,850,077	3,850,077	3,292,636	557,441
Vocational instruction	1,101,728	1,101,728	1,262,042	(160,314)
Total instruction services	<u>108,648,442</u>	<u>108,648,442</u>	<u>103,662,024</u>	<u>4,986,418</u>
<b>Instructional support</b>				
Counseling services	3,024,852	3,024,852	3,013,926	10,926
Student records services	352,376	352,376	377,997	(25,621)
Assessment services	405,367	405,367	277,270	128,097
Supervision of special education services	176,898	176,898	144,317	32,581
Social work services	1,233,518	1,233,518	974,649	258,869
Health services	1,829,425	1,829,425	1,786,723	42,702
Psychological services	1,392,925	1,392,925	1,472,534	(79,609)
Speech services	1,507,285	1,507,285	1,438,025	69,260
Audiology services	169,725	169,725	150,986	18,739
Occupational therapy services	534,480	534,480	464,834	69,646
Physical therapy services	219,025	219,025	175,844	43,181
Supervision instruction services	123,229	123,229	60,660	62,569
Curriculum and instruction development services	1,279,358	1,279,358	1,509,714	(230,356)
Staff training services	1,189,784	1,189,784	692,221	497,563
School library services	2,398,200	2,398,200	1,819,218	578,982
Audiovisual services	209,247	209,247	194,815	14,432
Total instructional support services	<u>16,045,694</u>	<u>16,045,694</u>	<u>14,553,733</u>	<u>1,491,961</u> (Continued)

See note to required supplementary information.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP)  
 GENERAL FUND (Continued)  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
General support				
Superintendent	\$ 373,983	\$ 373,983	\$ 336,272	\$ 37,711
Community relations	100,042	100,042	82,328	17,714
School administration	9,359,976	9,359,976	10,545,680	(1,185,704)
Fiscal services	1,388,103	1,388,103	1,306,168	81,935
Warehouse purchasing services	616,706	616,706	614,282	2,424
Multimedia services	658,973	658,973	516,622	142,351
Board of education services	462,759	462,759	451,832	10,927
Employee relations	532,472	532,472	479,017	53,455
Building services	17,240,549	17,240,549	15,201,284	2,039,265
Equipment services	355,515	355,515	243,013	112,502
Grounds services	809,461	809,461	697,471	111,990
Security services	193,034	193,034	199,201	(6,167)
School transportation	9,459,433	9,459,433	8,840,093	619,340
Activity transportation	645,576	645,576	571,395	74,181
Staff transportation services	217,000	217,000	164,996	52,004
Personnel services	1,529,042	1,529,042	1,488,183	40,859
Information technology	2,687,600	2,687,600	2,559,359	128,241
Total general support services	<u>46,630,224</u>	<u>46,630,224</u>	<u>44,297,196</u>	<u>2,333,028</u>
Total expenditures	<u>171,324,360</u>	<u>171,324,360</u>	<u>162,512,953</u>	<u>8,811,407</u>
Excess (deficit) of revenues over expenditures	<u>(640,190)</u>	<u>(640,190)</u>	<u>10,010,964</u>	<u>(10,651,154)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(697,000)	(697,000)	(827,000)	(130,000)
Board budget reserve	(7,325,000)	(7,325,000)	-	7,325,000
Board reserve for priorities	(7,216,346)	(7,216,346)	(3,413,926)	3,802,420
Total other financing uses	<u>(15,238,346)</u>	<u>(15,238,346)</u>	<u>(4,240,926)</u>	<u>10,997,420</u>
Change in fund balance	(15,878,536)	(15,878,536)	5,770,038	<u>\$ 21,648,574</u>
Fund balances (deficits) - beginning of year	<u>(6,204,217)</u>	<u>(6,204,216)</u>	<u>16,620,814</u>	
Fund balances (deficits) - end of year	<u>\$ (22,082,753)</u>	<u>\$ (22,082,752)</u>	<u>\$ 22,390,852</u>	

See note to required supplementary information.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL - (NON-GAAP)  
 PROGRAM FUND  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 19,545,000	\$ 19,545,000	\$ 16,581,089	\$ (2,963,911)
Total revenues	<u>19,545,000</u>	<u>19,545,000</u>	<u>16,581,089</u>	<u>(2,963,911)</u>
Expenditures				
Current				
Instructional services	10,213,000	10,213,000	9,698,410	514,590
Instructional support services	8,334,000	8,334,000	6,546,708	1,787,292
General support services	<u>1,166,000</u>	<u>1,166,000</u>	731,454	434,546
Total expenditures	<u>19,713,000</u>	<u>19,713,000</u>	<u>16,976,572</u>	<u>2,736,428</u>
Excess (deficit) of revenues over expenditures	<u>(168,000)</u>	<u>(168,000)</u>	<u>(395,483)</u>	<u>(227,483)</u>
Change in fund balance	(168,000)	(168,000)	(395,483)	<u>\$ (227,483)</u>
Fund balances (deficits) - beginning of year	<u>3,769,052</u>	<u>3,769,052</u>	<u>(737,621)</u>	
Fund balances (deficits) - end of year	<u>\$ 3,601,052</u>	<u>\$ 3,601,052</u>	<u>\$ (1,133,104)</u>	

See note to required supplementary information.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL - (NON-GAAP)  
 CAPITAL MAINTENANCE FUND  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
State maintenance grant	\$ 5,999,118	\$ 5,999,118	\$ 5,999,118	\$ -
Interest	5,000	5,000	5,198	198
Total revenues	<u>6,004,118</u>	<u>6,004,118</u>	<u>6,004,316</u>	<u>198</u>
Expenditures				
Current				
Capital maintenance services	9,873,000	9,873,000	7,390,480	2,482,520
Total expenditures	<u>9,873,000</u>	<u>9,873,000</u>	<u>7,390,480</u>	<u>2,482,520</u>
Change in fund balance	<u>(3,868,882)</u>	<u>(3,868,882)</u>	<u>(1,386,164)</u>	<u>\$ 2,482,718</u>
Fund balances (deficits) - beginning of year	<u>(8,469,776)</u>	<u>(8,469,776)</u>	<u>4,687,508</u>	
Fund balances (deficits) - end of year	<u><u>\$ (12,338,658)</u></u>	<u><u>\$ (12,338,658)</u></u>	<u><u>\$ 3,301,344</u></u>	

See note to required supplementary information.

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2013

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

	General Fund	Program Fund	Capital Maintenance Fund
<b>Revenues</b>			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 172,523,917	\$ 16,581,089	\$ 6,004,316
<b>Differences - Budget Basis to GAAP</b>			
Accrual of property taxes receivable	(510,858)	-	-
Accrual of grants receivable	(15,000)	574,240	-
Accrual of deferred property tax revenue	176,915	-	-
	<u>\$ 172,174,974</u>	<u>\$ 17,155,329</u>	<u>\$ 6,004,316</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 172,174,974</u>	<u>\$ 17,155,329</u>	<u>\$ 6,004,316</u>
<b>Expenditures</b>			
Actual amounts (budgetary basis) from the Budgetary Comparison Schedule	\$ 162,512,953	\$ 16,976,572	\$ 7,390,480
<b>Differences - Budget Basis to GAAP</b>			
Prepaid expenses	(22,043)	-	-
Inventories	(52,351)	-	-
Accrual of accounts payable	250,756	226,529	(937,408)
Accrued salaries and benefits payable	(458,002)	(27,011)	-
Accrual of interest	(165,366)	-	-
	<u>(165,366)</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 162,065,947</u>	<u>\$ 17,176,090</u>	<u>\$ 6,453,072</u>

**OTHER SUPPLEMENTARY INFORMATION**

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET AND ACTUAL - (NON-GAAP)  
 CAPITAL PROJECTS FUND  
 Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 53,370,000	\$ 53,370,000	\$ 12,099,324	\$ (41,270,676)
Total revenues	<u>53,370,000</u>	<u>53,370,000</u>	<u>12,099,324</u>	<u>(41,270,676)</u>
Expenditures				
Current				
Capital outlay - capital construction	54,087,800	54,087,800	16,700,551	37,387,249
Total expenditures	<u>54,087,800</u>	<u>54,087,800</u>	<u>16,700,551</u>	<u>37,387,249</u>
Deficiency of expenditures over revenues	(717,800)	(717,800)	(4,601,227)	(3,883,427)
Other financing sources				
Transfers in	-	-	3,413,926	3,413,926
Total other financing sources	<u>-</u>	<u>-</u>	<u>3,413,926</u>	<u>3,413,926</u>
Change in fund balance	(717,800)	(717,800)	(1,187,301)	<u>\$ (469,501)</u>
Fund balances (deficit) - beginning of year	<u>(1,874,500)</u>	<u>(1,874,500)</u>	<u>717,686</u>	
Fund balances (deficit) - end of year	<u>\$ (2,592,300)</u>	<u>\$ (2,592,300)</u>	<u>\$ (469,615)</u>	

**SINGLE AUDIT**

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through/ Grantor's Number	Expenditures
U.S. Department of Agriculture			
Passed through the State of Wyoming Department of Education			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	-	\$ 451,768
National School Lunch Program	10.555	-	1,904,523
National School Lunch Program - USDA Commodities	10.555		280,960
Summer Food Service Program for Children	10.559	-	157,672
Total Child Nutrition Cluster			<u>2,794,923</u>
Child and Adult Food Care Program	10.558	-	18,785
Fresh Fruit and Vegetables Program	10.582	-	119,420
Total U.S. Department of Agriculture			<u>2,933,128</u>
Department of Defense National Security Agency			
Language Grant Program	12.900	H98230-12-1-0068	40,914
Language Grant Program	12.900	H98230-13-1-0115	887
Total Department of Defense National Security Agency			<u>41,801</u>
National Endowment for the Arts			
Passed through the State of Wyoming Department of Education			
Promotion of the Arts Partnership Agreements	45.025	6815496	1,000
Promotion of the Arts Partnership Agreements	45.025	5954582	333
Total National Endowment for the Arts			<u>1,333</u>
U.S. Department of Education			
Passed through the State of Wyoming Department of Education			
<i>Title I, Part A</i>			
Title I - Grants to Local Educational Agencies	84.010A	111301T1SIA0	7,743
Title I - Grants to Local Educational Agencies	84.010A	12130123AIA0	6,242
Title I - Grants to Local Educational Agencies	84.010A	111301T1SIA0	69,998
Title I - Grants to Local Educational Agencies	84.010A	12130123AIA0	37,782
Title I - Grants to Local Educational Agencies	84.010A	111301T1A00	11,042
Title I - Grants to Local Educational Agencies	84.010A	1213012T1A00	862,595
Title I - Grants to Local Educational Agencies	84.010A	1313013T1A00	3,033,227
Title I - Grants to Local Educational Agencies	84.010A	1213012T1D00	295,593
Title I - Grants to Local Educational Agencies	84.010A	1313013T1D00	254,355
Total Title I, Part A			<u>4,578,577</u>

(Continued)

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2013

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass Through/ Grantors Number	Expenditures
U.S. Department of Education (Continued)			
Passed through the State of Wyoming Department of Education (Continued)			
<i>Special Education Cluster</i>			
Special Education - Grants to States	84.027A	111301VIB00	\$ 563,678
Special Education - Grants to States	84.027A	1213012T6100	2,957,596
			<u>3,521,274</u>
Special Education - Preschool Grants	84.173A	111301VIBP00	10,483
Special Education - Preschool Grants	84.173A	1213012T6900	4,819
			<u>15,302</u>
Total Special Education Cluster			<u>3,536,576</u>
Passed through the State of Wyoming Department of Education			
Career and Technical Education - Basic Grants to States	84.048A	1213012VEA00	36,271
Career and Technical Education - Basic Grants to States	84.048A	1313013VEA00	163,794
			<u>200,065</u>
Direct Program			
Safe and Drug - Free Schools and Communities - National Programs	84.184L	Q184L070080	49,336
			<u>49,336</u>
Passed through the State of Wyoming Department of Education			
Education for Homeless Children and Youth	84.196	1313013HOMA0	28,409
Education for Homeless Children and Youth	84.196	121301HOMA0	30,501
			<u>58,910</u>
Passed through the State of Wyoming Department of Education			
Twenty-First Century Community Learning Centers	84.287C	1213011C5C00	91,353
Twenty-First Century Community Learning Centers	84.287C	1313011C5C00	50,156
Twenty-First Century Community Learning Centers	84.287C	1213011C4C00	73,525
			<u>215,034</u>
U.S. Department of Education (Continued)			
Passed through the State of Wyoming Department of Education			
English Language Acquisition State Grants	84.365A	1213012T3E00	3,836
English Language Acquisition State Grants	84.365A	1313013T3T00	20,687
English Language Acquisition State Grants	84.365A	111301T3IM00	841
English Language Acquisition State Grants	84.365A	1213012T3I00	5,101
			<u>30,465</u>
Passed through the State of Wyoming Department of Education			
Improving Teacher Quality State Grants	84.367A	1213012T2A00	794,253
Improving Teacher Quality State Grants	84.367A	1313013T2A00	100,085
			<u>894,338</u>
Passed through the State of Wyoming Department of Education			
ARRA - School Improvement Grants, Recovery Act	84.388A	1113011AGIA0	381,294
			<u>381,294</u>
Passed through the State of Wyoming Department of Education			
ARRA - Education Jobs Fund, Recovery Act	84.410	-	232,577
			<u>232,577</u>
Total U.S. Department of Education			<u>10,177,172</u>

(Continued)

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through/ Grantors Number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services			
Direct program			
Substance Abuse and Mental Health Services	93.243	H79SP015261-04	14,812
			<u>14,812</u>
Direct program			
Drug-Free Communities Support Program Grants	93.276	H79SP011598-08	30,840
Drug-Free Communities Support Program Grants	93.276	5H79SP011598-09	66,082
			<u>96,922</u>
Passed through the Wyoming Department of Employment, Passed through UPLIFT			
Temporary Assistance for Needy Families - Wyoming Early Enrichment Program	93.558	-	86,398
Temporary Assistance for Needy Families - Wyoming Early Enrichment Program	93.558	-	268,818
			<u>355,216</u>
Total U.S. Department of Health and Human Services			<u>466,950</u>
Total Federal Grants			<u>\$ 13,620,384</u>

## NATRONA COUNTY SCHOOL DISTRICT NO. 1

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

June 30, 2013

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of Natrona County School District No. 1 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2. Commodities**

Natrona County School District No. 1 purchases commodities from the United States Department of Agriculture at discounted prices. The value of commodities in the amount of \$280,960 was included in the Nutrition Cluster on the Schedule of Expenditures of Federal Awards.

**Note 3. Fiscal Agent**

During the year ended June 30, 2013, the District acted as fiscal agent for federal funds received on behalf of preschools within the State. The State contracts with the preschools using Temporary Assistance for Needy Families funds, CFDA 93.558, and the District pays the funds to the preschools at the State's instructions. Total funds disbursed to the preschools were \$76,905.



# PORTER, MUIRHEAD, CORNIA & HOWARD

(A Corporation of Certified Public Accountants)

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

### INDEPENDENT AUDITOR'S REPORT

To the Honorable Superintendent and Members  
of the Board of Trustees  
Natrona County School District No. 1  
Casper, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Natrona County School District No. 1, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Natrona County School District No. 1's basic financial statements, and have issued our report thereon dated October 29, 2013.

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

In planning and performing our audit of the financial statements, we considered Natrona County School District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Natrona County School District No. 1's internal control. Accordingly, we do not express an opinion on the effectiveness of Natrona County School District No. 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.

To the Honorable Superintendent and Members  
of the Board of Trustees  
Natrona County School District No. 1  
Page 2

***Compliance and Other Matters***

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

We noted certain matters that we reported to management of the Board in a separate letter dated October 29, 2013.

***Purpose of this Report***

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



Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
October 29, 2013



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

INDEPENDENT AUDITOR'S REPORT

To the Honorable Superintendent and Members  
of the Board of Trustees  
Natrona County School District No. 1  
Casper, Wyoming

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

We have audited Natrona County School District No. 1's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Natrona County School District No. 1's major federal programs for the year ended June 30, 2013. Natrona County School District No. 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Natrona County School District No. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Natrona County School District No. 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 opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Natrona County School District No. 1's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Natrona County School District No. 1 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

To the Honorable Superintendent and Members  
of the Board of Trustees  
Natrona County School District No. 1  
Page 3

***Report on Internal Control Over Compliance***

Management of Natrona County School District No. 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 Natrona County School District No. 1's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Natrona County School District No. 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Porter, Muirhead, Cornia & Howard*

Porter, Muirhead, Cornia & Howard  
Certified Public Accountants

Casper, Wyoming  
October 29, 2013

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2013

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

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***Financial Statements***

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No

Identification of major programs:

*Child Nutrition Cluster*

School Breakfast Program	10.553	\$ 451,768
National School Lunch Program	10.555	1,904,523
National School Lunch Program - USDA Commodities	10.555	280,960
Summer Food Service Program for Children	10.559	157,672
Total Child Nutrition Cluster		<u>2,794,923</u>

Title I - Grants to Local Educational Agencies	84.010A	4,578,577
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ARRA - School Improvement Grants, Recovery Act	84.388A	381,294
		<u>\$ 7,754,794</u>

Dollar threshold used to distinguish between Type A and Type B programs:	\$408,612
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Auditee qualified as low-risk auditee?	Yes
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**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
Year Ended June 30, 2013

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

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None

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

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None

**NATRONA COUNTY SCHOOL DISTRICT NO. 1**

**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS (CONTINUED)**

Year Ended June 30, 2013

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**SA-2012-01**

U.S. Department of Education

Passed through the Wyoming Department of Education

Title I, Part A Cluster

CFDA Number 84.010A – Title I Grants to Local Education Agencies

CFDA Number 84.389A ARRA – Title I Grants to Local Education Agencies Recovery Act

**Criteria:**

Federal awards may specify a time period during which the non-Federal entity may use the Federal funds. Where a funding period is specified, a non-Federal entity may charge to the award only costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency. (A-102 Common Rule, §\_\_\_\_.23; OMB Circular A-110 (2 CFR section 215.28))

**Condition:**

The District charged costs to the grant that were for goods and services outside of the grant funding period. The goods and services were not acquired, consumed, or expended during the grant period, rather the costs were for goods and services that were consumed after the grant period.

**Status:**

The District provided training for grant managers and oversight by the Business Office on the period of availability requirement.