

Campbell County
School District No.1
Gillette, Wyoming



"Teaching Effectively - Learning Successfully"

Fiscal Year Ended
June 30, 2005

GASB 34 Compliant

Prepared by the:

***Instructional Support Division,
Accounting Department***

Rhea J. Betts
Accounting Manager

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF
CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
GILLETTE, WYOMING
FOR THE FISCAL YEAR ENDED
JUNE 30, 2005**

RICHARD STRAHORN, Ed.D., Superintendent of Schools
BOYD BROWN, Associate Superintendent for Instructional Support

Prepared By Instructional Support Division, Accounting Department

THIS PAGE LEFT INTENTIONALLY BLANK

An illustration of school supplies. On the left is a spiral-bound notebook with a yellow cover and a white page. On the right is a smaller notepad with a white page and a blue pencil resting on it. The entire scene is set against a light green rounded rectangular background.

INTRODUCTORY

SECTION

THIS PAGE LEFT INTENTIONALLY BLANK

TABLE OF CONTENTS

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	iv-ix
PRINCIPAL OFFICIALS	x
ORGANIZATION CHART	xi
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING - FISCAL YEAR ENDED JUNE 30, 2004	xii

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1-2
Management Discussion and Analysis	3-12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	13
Statement of Activities	14-15
Fund Financial Statements:	
Balance Sheet - Governmental Funds	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	17
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	18-19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual General Fund	21-22
Statement of Net Assets, Proprietary Fund	23
Statement of Revenues, Expenses and Changes in Fund Net Assets, Proprietary Fund	24
Statement of Cash Flows, Proprietary Fund	25
Statement of Net Assets, Internal Service Fund	26
Statement of Revenues, Expenses and Changes in Fund Net Assets, Internal Service Fund	27
Statement of Cash Flows, Internal Service Fund	28
Statement of Fiduciary Assets and Liabilities, Fiduciary Funds	29

**CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
FINANCIAL SECTION (Continued)**

Notes to the Basic Financial Statements	30-44
Combining Statements and Individual Fund Schedules:	
Combining - Nonmajor Governmental Funds:	
Fund Descriptions	45-46
Combining Balance Sheet, Nonmajor Governmental Funds	47
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds	48
Nonmajor Special Revenue Funds	49
Combining Balance Sheet	50-53
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	54-59
Debt Service Fund	60
Major Debt Service Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	61
Capital Projects Funds	62
Nonmajor Capital Project Funds - Balance Sheet	63
Nonmajor Capital Project Funds - Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	64
Major Capital Projects Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Construction Fund	65
Capital Assets Used in the Operation of Governmental Funds	66
Schedule by Source	67
Schedule by Function and Activity	68
Schedule of Changes by Function and Activity	69

STATISTICAL SECTION

Government-wide expenses by function	70-71
Government-wide revenues	72-73
General governmental funds expenditures by function	74-75
General governmental funds revenues by source	76
Property tax levies and collections	77
Assessed and estimated actual value of taxable property	78
Property tax levies - rates per \$1,000 of assessed value - - direct and overlapping governments	79
School District mill levies - rates per \$1,000 of assessed value	80
Ratio of net general obligation debt to assessed value and net bonded debt per capita	81-82
Computation of legal debt margin	83
Computation of direct and overlapping debt	84
Ratio of annual debt service for general bonded debt to total general governmental expenditures	85
Debt service schedule for general obligation bonds	86
Demographic statistics	87

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
STATISTICAL SECTION (Continued)

Property value, construction, and bank deposits	88-89
Principal taxpayers (top 20)	90
Miscellaneous statistical data	91
Average daily membership and attendance	92
Payments to the state foundation program	93

SINGLE AUDIT SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required By Government Auditing Standards	94-95
Independent Auditor's Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance Required By OMB Circular A-133	96-97
Schedule of Expenditures of Federal Awards	98-100
Schedule of Findings and Questioned Costs	101-102
Summary Schedule of Prior Audit Findings	103

THIS PAGE LEFT INTENTIONALLY BLANK



Educational Services Center
1000 West Eighth Street • PO Box 3033
Gillette, Wyoming 82717-3033

Receptionist (307) 682-5171

Fax (307) 682-1750

" Teaching Effectively - Learning Successfully "

November 15, 2005

Citizens of Campbell County and members of the Board of Education
Campbell County School District No. 1

It is our pleasure to furnish you with the 2005 Comprehensive Annual Financial Report (CAFR) of Campbell County School District No. 1, for the fiscal year ended June 30, 2005. The basic financial statements in this report provide a comprehensive overview of the financial position and the results of operations of Campbell County School District No.1 as a whole, while the detailed financial statements describe specific activities of each fund and account group used in the accounting for the District's financial transactions. With the technical assistance of Shuck, Bennett & Weber, Certified Public Accountants, this report was prepared by the District's Instructional Support Division, Accounting Department, in accordance with accounting principles generally accepted in the United States of America and reporting standards of the Governmental Accounting Standards Board. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management.

We believe the data, as presented, are accurate in all material respects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of Campbell County School District No.1 as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the District's financial activity have been included.

ORGANIZATION OF THE REPORT

For the convenience of users we have divided this comprehensive annual financial report into four major sections, described as follows:

- The **introductory section** includes this transmittal letter, the list of principal officials, the organizational structure of Campbell County School District No. 1 and a copy of the Certificate of Excellence from fiscal year 2004.
- The **financial section** includes the government-wide financial statements; the fund financial statements; the combining statements and individual fund schedules; the independent auditor's opinion of the financial statements and schedules as well as the Management's Discussion and Analysis letter.
- The **statistical section** is unaudited data which includes selected financial and demographic information, generally presented on a multi-year basis.
- The **single audit section** contains information relating to the District's single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the independent auditor's reports on compliance and internal control.

The report provides valuable management information. Copies will be made available to the Chamber of Commerce, major tax payers, public libraries in our area, financial rating agencies as well as other interested parties.

THE REPORTING ENTITY

The financial reporting entity includes all the funds of Campbell County School District No. 1 as well as that of its Discretely Presented Component Unit, the Campbell County Board of Cooperative Higher Education Services (BOCHES) and the Blended Component Unit, Campbell County Community Public Recreation District (CCCPRD). The Campbell County Board of Cooperative Higher Education Services (BOCHES) and the Campbell County Community Public Recreation District (CCCPRD) are fiscally dependent upon the District. Component units are legally separate entities for which the primary government is financially accountable. The blended component unit is reported as a Special Revenue Fund in the District's financial records. Financial activity of the Campbell County Board of Cooperative Higher Education Services (BOCHES) is reported in a separate column in the basic financial statements to emphasize that it is legally separate from Campbell County School District No. 1 and to differentiate their financial position, results of operations, and cash flows from those of the District.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Campbell County School District No. 1 encompasses 4,755 square miles and includes the towns of Gillette, Recluse, Rozet, and Wright. Approximately 7,140 students are taught in one senior high school, one alternative high school, one junior/senior high school, two junior high schools and fifteen elementary schools (five of which are rural).

School staff, including part time, totaled 1,355 in 2004-2005. Of the total, 696 were certified staff including teachers, specialists, and administrators. Non certified staff including clerical, custodial, food services, aides, maintenance, and bus drivers totaled 659. Staff totals do not include substitutes.

The educational program is the most comprehensive in the region with a broad spectrum of courses in the high schools ranging from basic to general to honors and advanced placement. Recent building renovations and construction projects have produced a pleasant and effective system of school buildings, library media centers, playgrounds, and athletic facilities. Elementary schools have been designed to enhance the neighborhood school concept in the interest of community involvement and effective instruction.

As an independent School District, the Board of Trustees for Campbell County School District No. 1 is composed of seven citizens each elected to a four-year term. Based upon legislative authority codified in the Wyoming Education Code, the trustees: (1) have the exclusive power to manage and govern the District; (2) can acquire and hold real and personal property, sue and be sued, and hold all rights and titles to the school property, (3) shall have the power to levy and collect taxes and to issue bonds, (4) can contract for appointed officers, teachers and other personnel as well as for goods and services, and (5) have the right to eminent domain to acquire real property necessary for the District.

The purpose and responsibility of Campbell County School District No. 1 is to provide an efficient educational system for the children enrolled in public schools within its boundaries, whereby each child has access to programs and services that are appropriate to his or her educational needs. In addition to the regular educational program, Campbell County School District No. 1 offers comprehensive programs in the areas of vocational education, special education, English as a second language and a full range of compensatory programs.

In the last several years the economy of the State of Wyoming fluctuated due to the volatility in the energy related industries. The major effect on Campbell County School District No.1 has been significant fluctuations in county property values. (See Table 6 in the Statistical Section, Assessed and Estimated Actual Value of Taxable Property).

MAJOR INITIATIVES

During the year: Campbell County School District No. 1 continues to be a leader in Wyoming as the state itself continues to be a national leader in public education.

Testing

During the year, Campbell County School District No. 1 participated in the Wyoming Comprehensive Assessment System (WyCAS). The results for grades four, eight and eleven showed our students to be very comparable with students throughout Wyoming.

Campbell County School District No. 1 uses the TerraNova as the norm referenced assessment for grades three through nine.

Median percentile scores for the TerraNova which includes Language Arts, Reading, and Math are seen in Figure One.

Figure One

Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9
74 % ile	67 % ile	66 % ile	70 % ile	59 % ile	59 % ile	69 % ile

The average American College Testing (ACT) scores for Campbell County School District No.1 during the 2004-2005 school year; 20.9 for Campbell County High School, and 20.7 for Wright Junior/Senior High School. State and national averages were 21.4 and 20.9, respectively.

During 2004-2005, an average of 93.85% of Campbell County School District No. 1 students attended class each day, compared to 94.26% in 2003-2004; 94.48% in 2002-2003; 94.2% in 2001-2002; and 94.19% in 2000-2001. Students absent for school-sponsored academic or athletic activities were not considered absent for attendance purposes.

The total dropout count for the 2004-2005 school year was 110 students, 3.13% of the secondary enrollment of the district. This percentage compares to 3.13% in the 2003-2004 school year, 3.18% in the 2002-2003; 3.4% in 2001-2002; 3.51% in 2000-2001; 2.18% in 1999-2000; 2.76% in 1998-1999; 3.48% in 1997-1998 and 3.3% in 1996-1997.

Several interventions contribute to this relatively low dropout rate. The District's alternative high school, Westwood High School and has been very successful in recruiting students at high risk of becoming dropouts. Many students complete their education in this alternative setting who would not have succeeded or returned to our other high schools. Over the past seven years, 314 students have graduated with regular diplomas from this school.

A revised discipline policy, has increased administrator/student interaction, has provided additional counseling for students in the In-school Discipline and Supervision Program (IDSP), and has required personal contracts to put students at risk of dropping out of school back on track.

GASB 34 Reporting Model

The Governmental Accounting Standards Board (GASB) established a new financial reporting model for state and local governments in GASB No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Campbell County School District No.1 was required to adopt this new reporting model for its fiscal year 2003 annual report. The District choose early implementation of this pronouncement for its fiscal year 2002 annual report.

GASB Statement No. 34 basically established new requirements for school districts' annual financial reports. Following are the main financial report changes:

- *Management's Discussion and & Analysis (MD&A)*, is primarily a narrative introduction, overview and analysis to the basic financial statements, and can be found starting on page 3 in the Financial Section after the Independent Auditors Report.
- *District-wide Financial Statements*, also known as the Government-wide statements, which reports a clearer picture of the organization as a single unified entity. These new financial statements, the *Statement of Net Assets* and the *Statement of Activities* complement rather than replace traditional fund-based financial statements and must distinguish between governmental and business-type activities of the primary governments and its discretely presented component units by reporting each in separate columns. Fiduciary activities, whose resources are not available to finance school programs, are excluded from these reports.
- *Fund Financial Statements* which require districts to report information about their most important or major funds separately and with their non major funds combined. Campbell County School District No. 1 has three major funds meeting the major fund criteria for these reports, General Fund, Debt Service Fund and the Capital Projects - Capital Construction Fund.
- *Required Supplementary Information (RSI)* other than the MD&A includes the capitalization and depreciation of all exhaustible capital assets.

To further enhance the new financial report information, the Wyoming Department of Education has expanded the minimum Function/Program category groups required from nine to fifteen. With this change the ten previous fiscal year comparative information is no longer easily attainable. Without having the previous fiscal year numbers restated the comparative data needed for tables in the Statistical Section have an "N/A" where restated numbers would be needed. We apologize for any inconvenience this decision may cause.

INTERNAL AND BUDGETARY CONTROL

In developing, evaluating, and improving the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local grants, Campbell County District No.1 has the responsibility for providing an adequate internal control structure to ensure compliance with applicable laws and regulations related to these grants. This internal control structure is subject to periodic review and revision by management.

Campbell County District No.1 has adopted Board of Trustee policies that specify how state and district student performance standards have affected planning for facilities and annual budget priorities beyond fixed costs. The programs provided have been determined to be sufficient for students to meet state and district content and performance standards. The administration monitors building operations to assure all legal requirements, whether federal, state, or local, are met in each school.

To help meet the requirements of the *No Child Left Behind Act* the District is providing additional resources to each school based on their individual improvement plan. Each school has developed an improvement plan based on examination data of student assessments.

Campbell County District No.1 utilizes a line item budget of proposed expenditures and the means of financing them. The emphasis of the budget process is to identify the activities requiring resources and to rank administratively those activities according to the needs of the entire District. Budgetary control is maintained by the Finance Department at the function level by organizational unit. Purchase commitments, personnel actions, or other obligations which would result in an overrun of appropriated funds are not released until additional appropriations are made available. Open encumbrances are reported as a reservation of fund equity at June 30, 2005, on the Balance Sheet of the Annual Financial Report.

Detailed reports are available monthly to building principals and supervisors showing the status of budgets for which they are responsible. The reports summarize the monthly transactions and remaining budgeted funds allocated for goods and services among the programs so managed.

CASH MANAGEMENT

The Wyoming Education Code of 1969 (as amended - 1999) outlines the instruments which may be used for the investment of public funds (W.S. 9-4-831).

Interest earnings on investments during the 2004-2005 school year for all governmental funds of \$975,584 represented 1.018 percent of the District's total governmental revenues. All cash and certificates of deposit of the District were at all times either insured by the Federal Deposit Insurance Corporation (FDIC), or were secured by collateral of at least 102 percent.

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for claims and risks of loss. These coverages and the related deductibles are listed in Figure One.

Figure One

Summary of Insurance Coverage		
Type of Claim	Amount of Coverage	Deductible
Claims governed by the Wyoming Governmental Claims Act: Each general liability claim to any claimant for any number of claims arising out of single transaction/occurrence	\$ 250,000	----
For all claims for all claimants arising out of a single transaction/occurrence	\$ 500,000	----
Claims not governed by the Wyoming Governmental Claims Act: Each general liability claim	\$ 2,000,000	\$ 100,000
Buildings and contents	\$211,434,800	\$ 5,000

Campbell County District No. 1 carries faithful performance/honesty bond coverage on all employees in the amount of \$50,000. The bond covers losses to the District through dishonesty of an employee acting alone or in collusion with others. In addition, the District's Board Treasurer is properly bonded.

The District has elected to provide medical, dental and prescription insurance benefits through a self-funded group program. The medical insurance is administered by Blue Cross-Blue Shield; dental by Delta Dental and prescription by Innoviant. Stop-loss coverage of \$125,000 per insured is purchased by the District to limit the risk of loss in this program. Employees working 20 or more hours per week are eligible. Employee contributions are required and based on an employee's full time equivalency and type of coverage (Single, Employee + Spouse, Employee + Dependent(s), or Family).

Non voluntary plans paid totally by the District for all employees working 20 or more hours per week include, an accidental death policy for all employees of \$50,000; a life insurance, based on annual salary with a minimum of \$10,000 and a maximum of \$50,000; short and long term disability coverage providing 60 percent of an employee's monthly salary, with a maximum of \$2,500 per month.

In addition, voluntary plans with premiums paid entirely by the employee include a vision service plan, term life insurance plans, supplemental health insurance plans, and tax sheltered annuities.

INDEPENDENT AUDIT

The financial statements of the District are audited annually by independent certified public accountants selected by the Board of Education. The independent auditors' report has been included in this report.

RECOGNITION FOR FINANCIAL REPORTING

The Association of School Business Officials International (ASBO) awarded Campbell County School District No.1 a Certificate of Excellence in Financial Reporting for its Comprehensive Annual Financial Reports for all fiscal years ended June 30, 1991 through June 30, 2004 consecutively.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Excellence is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Excellence Program requirements, and we are submitting it to the Association of School Business Officials International.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the diligent and dedicated services of Rhea Betts, the District's Accounting Manager and we would like to express our appreciation for her contribution. Also, we would like to express our appreciation to other departments, schools, and individuals who assisted in its preparation. Moreover, we wish to thank and express appreciation to the administrators and other employees of Campbell County District No.1 for their interest and support in planning and conducting the financial affairs of the District in a responsible and progressive manner.

Respectfully submitted,

Boyd Brown
Associate Superintendent for
Instructional Support

Richard Strahorn, Ed.D.
Superintendent of Schools

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
FISCAL YEAR ENDED JUNE 30, 2005
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS - BOARD OF TRUSTEES



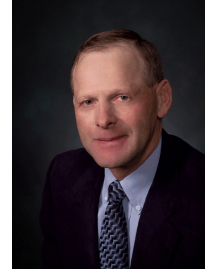
Chairman
David Fall
(2004-2008)



Vice-Chairman
Debbie McLeland
(2002-2006)



Treasurer
Susan Shippy
(2002-2006)



Clerk/Asst. Treasurer
Robert Innes
(2004-2008)



Trustee
Gregg Blikre
(2005-2006)



Trustee
Barbra Dilts
(2004-2008)



Trustee
Kathy Swartz
(2004-2008)

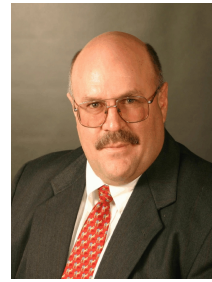
APPOINTED OFFICIALS



Associate Superintendent for
Instruction
Larry J. Heslep, Ed.D.



Superintendent
Richard Strahorn Ed.D.



Associate Superintendent for
Instructional Support
Boyd A. Brown



Assistant Superintendent for
Curriculum & Assessment
Edward L. Weber, Ed.D.



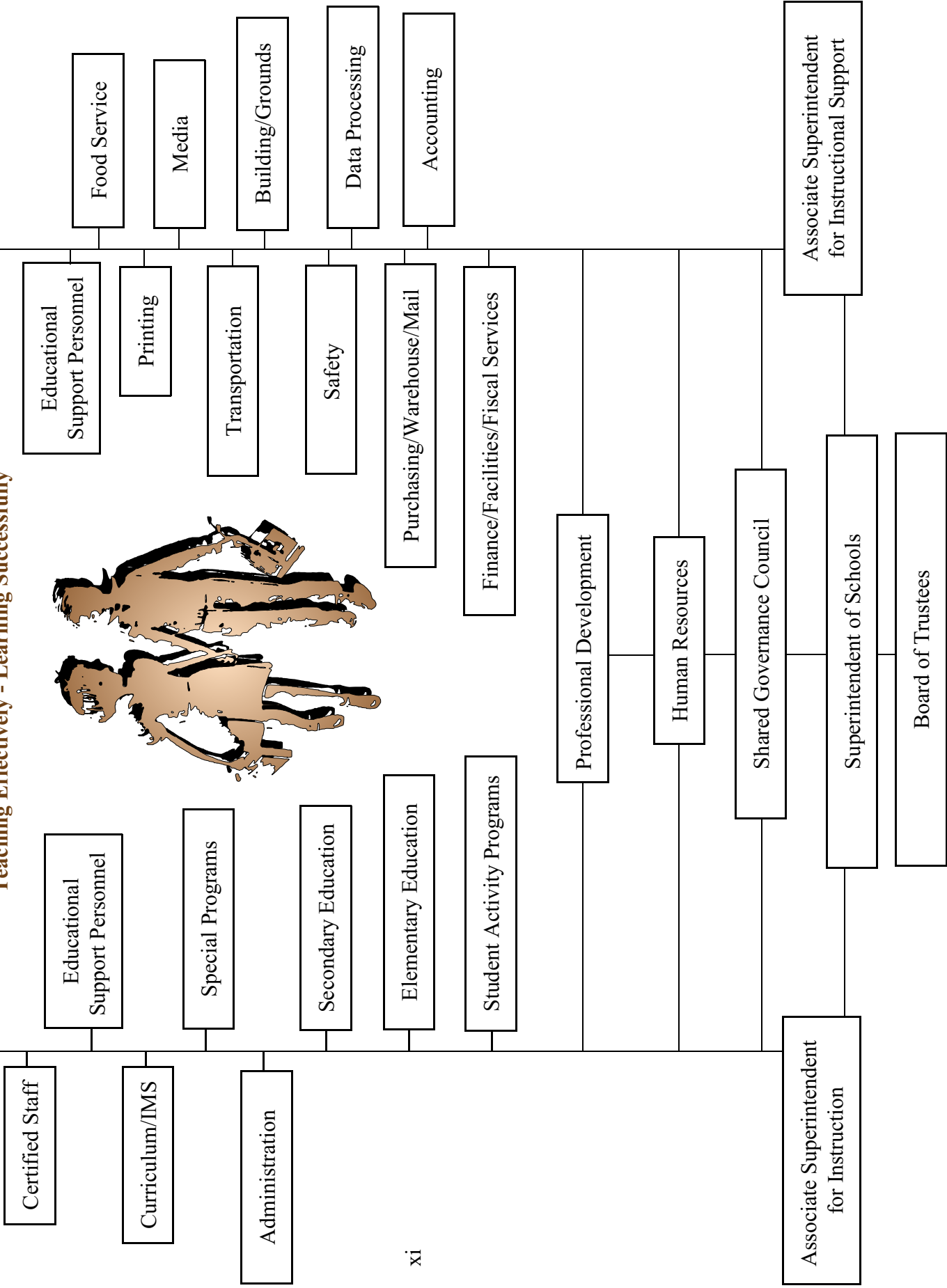
Assistant Superintendent for
Special Programs
Beth A. Norton



Assistant Superintendent for
Technology Education
Lyla R. Downey

Students of Campbell County School District #1

“Teaching Effectively - Learning Successfully”



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

Campbell County School District No. 1

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director

THIS PAGE LEFT INTENTIONALLY BLANK



FINANCIAL

SECTION

THIS PAGE LEFT INTENTIONALLY BLANK

SHUCK, BENNETT & WEBER
CERTIFIED PUBLIC ACCOUNTS AND CONSULTANTS

319 S. Gillette Avenue, Suite 200
P.O. Box 2256
Gillette, WY 82717-2256

Jerry C. Shuck, CPA
Michael R. Bennett, CPA
Rauland J. Weber, CPA
Tamara J. Hermstad, CPA
Michael L. Shuck, CPA

Telephone (307) 682-5250
Fax (307) 682-6938
sbw@sbwcpas.com

INDEPENDENT AUDITOR'S REPORT

Governing Board
Campbell County School District No. 1
Gillette, Wyoming

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **Campbell County School District No. 1** as of and for the year ended June 30, 2005, which collectively comprise the **District's** basic financial statements as listed in the table of contents. These financial statements are the responsibility of the **District's** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **Campbell County School District No. 1**, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 4, 2005, on our consideration of **Campbell County School District No. 1's** internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management discussion and analysis on pages 3 through 12 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Campbell County School District No. 1's** basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of **Campbell County School District No. 1**. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Gillette, Wyoming
August 4, 2005

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(Unaudited)

This section of the annual financial report presents the management's discussion and analysis (MD&A) of the financial performance of Campbell County School District No.1 during the fiscal year ending June 30, 2005. This report should be read in conjunction with the letter of transmittal, in the Introductory Section, and the financial statements. The management's discussion and analysis report provides an overall financial performance review of the District as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2005 are as follows:

- The district's financial status improved. In total, net assets increased \$13,200,532 which represents an 15.031 percent increase from fiscal year 2004.
- Overall revenues were \$92,756,531, exceeding expenses by \$13,200,532.
- General Revenues accounted for \$83,731,926 in revenue or 90.271 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$9,024,605 or 9.729 percent of total revenues of \$92,756,531.
- The district reduced its outstanding long-term debt by \$2,962,434 or 25.112 percent.
- The District had \$79,555,999 in expenses; only \$9,024,605 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$83,731,926 were adequate to provide for these programs.
- Among major funds, the General fund had \$70,052,763 in revenues and \$63,182,000 in expenditures. The General Fund's balance increased \$7,315,690 over 2004.
- The net assets of governmental activities increased by 14.888 percent or \$13,049,890 and the net assets of the business-type activity also increased 89.580 percent or \$150,642.

Overview of the Financial Statements

This annual report consists of a series of financial statements, and notes to those financial statements, and is followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. These financial statements are organized so the reader can understand Campbell County School District No.1 as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities. The *district-wide financial statements* and the *governmental funds statements* are the two basic kinds of financial statements presented.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005

(Unaudited - Continued)

Reporting the District as a Whole

District-wide financial statements

The Statement of Net Assets and the Statement of Activities are the two district-wide financial statements presented. The district-wide financial statements are separated into two categories (Governmental activities and Business-type activities) and provide both short-term and long-term information on the overall financial status of the District. These reports list the District's programs and services in defined function classifications, established by the State of Wyoming, and are presented to answer the readers question, "How did Campbell County School District No.1 do financially during fiscal year 2005?" Business-type activities are where the District charges fees to help cover the costs of certain services it provides. In the District's case, there is only one business-type activity, the Enterprise Fund-Food Service. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all the current year's revenues and expenses regardless of when cash is received or paid. These two statements also report the net assets and changes in those assets. This change in net assets is important because it tells the reader if the financial position of the District as a whole has improved or diminished.

Reporting the District's Most Significant Funds

Fund financial statements

The fund financial statements provide the next level of detail by focusing on the individual parts of the District and by reporting the operations in more detail than the district-wide statements. Fund financial statements focus on the most significant funds with all other non-major funds presented in total in one column. Campbell County School District No.1 uses many funds to account for a multitude of financial transactions. The District's major governmental funds are the General Fund, the Debt Service Fund and the Capital Projects - Capital Construction Fund.

Fund Types

Campbell County School District No.1 has three kinds of funds:

Governmental funds statements

Most of the District activities are reported in governmental funds, which generally 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. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are reconciled in the financial statements.

Proprietary funds statements

Services for which the district charges a fee are generally reported in the proprietary funds and are reported in the same way as the district-wide statements which offer short and long-term financial information about the activities the district operates like a business. The Enterprise Fund - Food Service is the only fund in this category for the District. The other type of a proprietary fund is an internal service fund. An internal service fund may be used to report activities that provide supplies and services for other programs and activities. The District currently uses the internal service fund to account for the financing and operations of its self-funded insurance health plan.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

(Unaudited - Continued)

Fiduciary funds statements

Fiduciary funds are held by the District as the trustee, or fiduciary, for assets that belong to others. The District has four funds in this category; the Agency Funds of Student Activities, Flexible Benefits and Early Retirement. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its own operations.

Financial Analysis of the District as a Whole

The Statement of Net Assets provides the perspective of the District as whole. Figure A provides a summary of the District's net assets for 2005 compared to 2004:

Figure A

Condensed Statement of Net Assets							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2004	2005	2004	2005	2004	2005	2004-2005
Current and other assets	\$ 25,595,786	\$ 38,435,429	\$ 112,245	\$ 288,624	\$ 25,708,031	\$ 38,724,053	50.630 %
Capital assets	84,694,065	82,051,189	74,115	63,019	84,768,180	82,114,208	(3.131)%
Total Assets	110,289,851	120,486,618	186,360	351,643	110,476,211	120,838,261	9.379 %
Long-Term Liabilities	8,183,077	5,192,964	0	0	8,183,077	5,192,964	(36.540)%
Other Liabilities	14,454,550	14,591,540	18,196	32,837	14,472,746	14,624,377	1.048 %
Total Liabilities	22,637,627	19,784,504	18,196	32,837	22,655,823	19,817,341	(12.529)%
Net Assets							
Invested in capital assets, Net of related debt	73,677,938	73,973,479	74,115	63,019	73,752,053	74,036,498	.386 %
Restricted	9,281,925	6,973,078	0	0	9,281,925	6,973,078	(24.875)%
Unrestricted	4,692,361	19,755,557	94,049	255,787	4,786,410	20,011,344	318.087 %
Total Net Assets	\$ 87,652,224	\$ 100,702,114	\$ 168,164	\$ 318,806	\$ 87,820,388	\$ 101,020,920	15.031 %

The District's combined net assets were higher on June 30, 2005, than they were on June 30, 2004, increasing more than 15.031 percent to \$101,020,920 (See Figure Table A). This improvement in the district's financial position came from its governmental activities, with its net assets increasing \$13,049,890 to \$100,702,114. The net assets of the District's business-type activities increased \$150,642 to \$318,806.

Changes in net assets

The District's total revenues were \$92,756,531. (See Figure B)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

(Unaudited - Continued)

Figure B

Changes in Net Assets from Operating Results							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2004	2005	2004	2005	2004	2005	2004-2005
Revenues							
Program revenues:							
Charges for Services	\$ 939,368	\$ 888,891	\$ 1,628,421	\$ 1,765,661	\$ 2,567,789	\$ 2,654,552	3.379 %
Operating Grants and Contributions	4,770,890	5,619,723	612,410	750,330	5,383,300	6,370,053	18.330 %
Capital Grants and Contributions	0	0	-	-	0	0	-
General Revenues:							
Taxes: Property levied - specific	64,378,152	69,959,273	-	-	64,378,152	69,959,273	8.669 %
Grants and Contributions not restricted	3,255,639	8,886,948	-	-	3,255,639	8,886,948	172.971 %
Capital Grants restricted for debt service	1,500,000	1,500,000	-	-	1,500,000	1,500,000	0 %
Interest	221,793	975,584	1,364	3,829	223,157	979,413	338.890 %
Other Local Revenue	2,018,820	2,176,045	-	-	2,018,820	2,176,045	7.788 %
Miscellaneous	917,291	874,195	-	-	917,291	874,195	(4.698)%
Gain (loss) on Sale of Capital Assets	16,183	(643,948)	-	-	16,183	(643,948)	(4,079.163)%
Transfers	(5,000)	(93,625)	5,000	93,625	0	0	-
Total Revenues	78,013,136	90,143,086	2,247,195	2,613,445	80,260,331	92,756,531	15.570 %
Expenses							
Governmental Activities							
Instruction	40,308,574	41,968,805	-	-	40,308,574	41,968,805	4.119 %
Pupil and Instructional Staff	9,903,822	10,623,844	-	-	9,903,822	10,623,844	7.270 %
General, School & Business Administration	6,304,993	6,419,171	-	-	6,304,993	6,419,171	1.810 %
Operation and Maintenance of Plant	7,693,871	8,052,935	-	-	7,693,871	8,052,935	4.667 %
Pupil Transportation	3,698,771	3,844,481	-	-	3,698,771	3,844,481	3.939 %
Central	3,710,442	4,137,175	-	-	3,710,442	4,137,175	11.501%
Other Support Services	155,440	267,673	-	-	155,440	267,673	72.203 %
Community Support - Non Instruct. Services	1,014,168	1,172,495	-	-	1,014,168	1,172,495	15.612 %
Debt Service	768,418	606,617	-	-	768,418	606,617	(21.056)%
Other - Food Service	0	0	2,265,220	2,462,803	2,265,220	2,462,803	8.723 %
Total Expenses	73,558,499	77,093,196	2,265,220	2,462,803	75,823,719	79,555,999	4.922 %
Excess (deficiency) before special item	4,454,637	13,049,890	(18,025)	150,642	4,436,612	13,200,532	197.536 %
Special - gain on sale of capital assets	0	0	-	-	0	0	-
Increase (decrease) in Net Asset:	4,454,637	13,049,890	(18,025)	150,642	4,436,612	13,200,532	197.536 %
Net Assets - Beginning Fiscal Year	83,197,587	87,652,224	186,189	168,164	83,383,776	87,820,388	5.321 %
Net Assets - Ending Fiscal Year	\$87,652,224	\$100,702,114	\$ 168,164	\$ 318,806	\$87,820,388	\$101,020,920	15.031 %

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

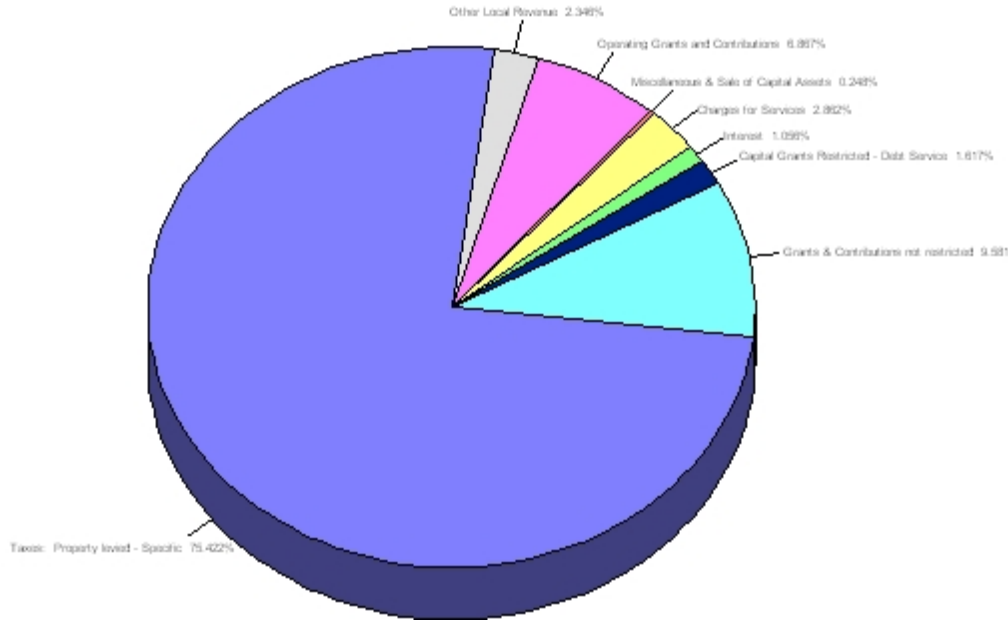
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

(Unaudited - Continued)

Of total revenues, property taxes of \$69,959,273 accounted for most of the District's revenue or 75.422 percent. Local, state and federal aid for specific programs contributed \$6,370,053 or 6.868 percent, with charges for service of \$2,654,552 or 2.862 percent, capital grants restricted for debt service of \$1,500,000 or 1.617 percent, grants and contributions not restricted of \$8,886,948 or 9.581 percent. The remainder, \$3,385,705 or 3.650 percent, resulted from interest earnings, other local revenue, and miscellaneous sources.

Sources of Revenues for Fiscal Year 2005

Fund types presented: General, Special Revenue, Capital Projects, Debt Service and Proprietary-Enterprise



Local, state and federal aid for specific programs contributed \$6,370,053 or 6.868 percent, with charges for service of \$2,654,552 or 2.862 percent, capital grants restricted for debt service of \$1,500,000 or 1.617 percent, grants and contributions not restricted of \$8,886,948 or 9.581 percent. The remainder, \$3,385,705 or 3.650 percent, resulted from interest earnings, other local revenue, and miscellaneous sources.

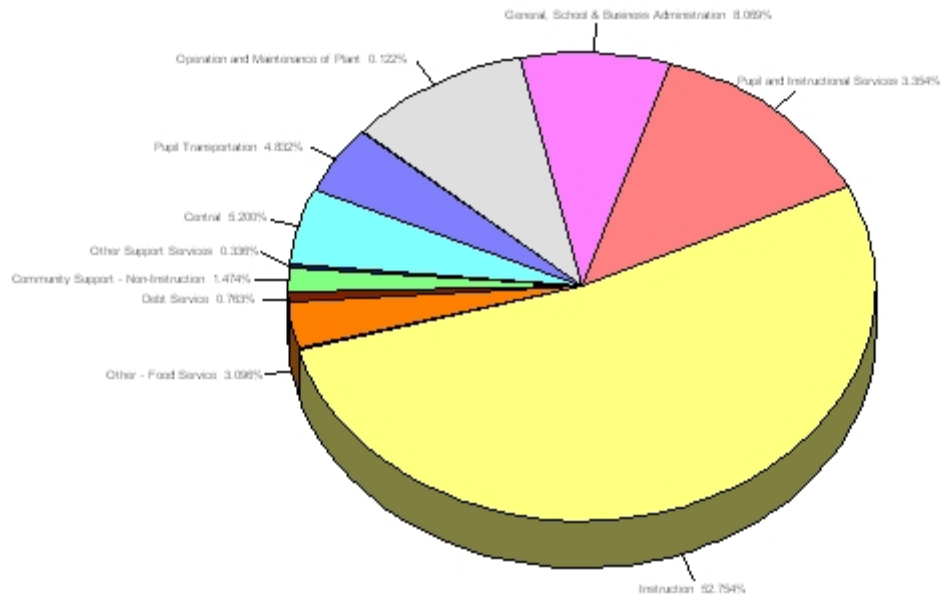
The total cost of all programs and services were \$79,555,999. Of the District's expenses, \$52,592,649 or 66.108 percent are directly related

to the areas of instruction, and pupil and instructional staff. Pupil transportation with costs of \$3,844,481 represents 4.832 percent, operational and maintenance of plant services costs totaled \$8,052,935 or 10.122 percent of total expenses.

The areas of administration: general, school and business, had expenses totaling \$6,419,171 or 8.069 percent. Central, which is the office of human resources and the costs associated with the self-funded health insurance program, totaled \$4,137,175 or 5.200 percent of total expenses, debt service expenses totaled \$606,617 or .763 percent. Other support services and community support expenses totaling \$1,440,168 represent 1.810 percent while the enterprise fund-food service totaled \$2,462,803 or 3.096 percent of total District expenses.

Expenses for Fiscal Year 2005

Fund types presented: General, Special Revenue, Capital Projects, Debt Service and Proprietary-Enterprise



CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

(Unaudited - Continued)

Total revenues surpassed expenses, increasing net assets by \$13,200,532. Both the governmental activities and the Enterprise Fund - Food Services contributed to the Districts financial health this fiscal year.

Governmental Activities

Revenues

Specific revenue source changes for 2004-2005 compared to 2003-2004 were:

- From local and county sources, an additional \$1,302,003 was received due to an increased assessed valuation.
- From the State of Wyoming, an additional \$3,549,625 was received; a \$224,037 increase for Major Capital funding, and a \$546 decrease in taxes, with the remaining changes directly associated with Major Maintenance funding which increased \$2,531,846 when fiscal year 2006 funding was received in fiscal year 2005.
- From federal sources, an additional \$45,688 was received for new and increased funding of special revenue grant projects

Expenses

Figure C presents the cost of nine major district activities: instruction, pupil and instructional staff, general, school and business administration, operation and maintenance of plant, pupil transportation, central, other support service, operation of non-instructional service-community support and debt service. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the district's taxpayers by each of these function.

Figure C

Net Cost of Governmental Activities						
	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2004	2005		2004	2005	
Instruction	\$ 40,308,574	\$ 41,968,805	4.119 %	\$ 36,694,972	\$ 37,737,413	2.841 %
Pupil and Instructional Staff	9,903,822	10,623,844	7.270 %	8,587,638	9,391,518	9.361 %
General, School and Business Administration	6,304,993	6,419,171	1.810 %	6,092,337	6,196,982	1.718 %
Operation and Maintenance of Plant	7,693,871	8,052,935	4.667 %	7,666,852	8,044,435	4.925 %
Pupil Transportation	3,698,771	3,844,481	3.939 %	3,688,597	3,834,828	3.964 %
Central	3,710,442	4,137,175	11.501 %	3,706,442	4,087,903	10.292 %
Other Support Services	155,440	267,673	72.203 %	36,274	91,904	153.361 %
Operation on Non- Instructional Service - Community	1,014,168	1,172,495	15.612 %	606,711	592,982	(2.263)%
Debt Service	768,418	606,617	(21.056)%	768,418	606,617	(21.056)%
Total	\$ 73,558,499	\$ 77,093,196	4.805 %	\$ 67,848,241	\$ 70,584,582	4.033 %

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 (Unaudited - Continued)

Governmental Activities - Expenses (continued)

Total cost of governmental activities for 2004-2005 totaled \$77,093,196. To achieve a net cost to the district for governmental activities monies received from federal and state governments, which subsidized certain programs with grants and contributions, totaling \$5,619,723 and Charges for Services of \$888,891 are deducted bringing the total net cost of services to \$70,584,582.

Specific fund expenditure changes before GASB 34 adjustments for 2004-2005 compared to 2003-2004 showed:

- Special revenue fund expenditures in total decreased by \$436,063. Three of the seven special revenue fund groupings had significant changes worth mentioning. Increased spending was seen by the "K" Fund which added \$822,547, an additional \$129,379 in Technology spending and an additional \$58,262 was due to increased awards to the District from federal and state sources. Decreased funding from the State of Wyoming for fiscal year 2005 for major maintenance project expenditures resulted in a reduction of \$564,750. The remaining three special revenue fund groupings each had adjustments which in total accounted for the remaining decrease of \$881,501.
- The general fund expenditures decreased by \$3,054,044. Spending in areas directly in contact with students increased \$2,563,456; instruction by \$1,879,460 and pupil and instructional staff by \$683,996. Administrative and Business areas increased \$112,594, maintenance \$143,423, transportation services \$145,710, with other support increasing by \$75,292. Spending areas where decreases were found were in the debt service of \$184,300, capital outlay of \$163,290, community services of \$89,665 and in the central area of \$5,657,264 due to the reclassification of the District's self-funded insurance health plan.
- An overall increase in capital construction fund spending of \$435,569.

Business-Type Activities

Revenues of the District's business-type activities increased 16.298 percent to \$2,613,445 and expenses rose 8.723 percent to \$2,462,803. (refer to Figure B) Food Service revenues exceeded expenses by \$150,642, accounting for the increase in the net assets of the business-type activities.

Financial Analysis of the District's Funds

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget one time. This budget amendment falls into two categories; budget transfers between function classifications to properly record expenditures and increases in appropriations to recognized actual funding received from county, state and federal sources and to prevent budget over runs.

Although the District's final budget for the general fund anticipated that revenues and expenditures would result with a deficit of \$2,249,960 which were to be covered by contingency funding, the actual results for the year show a \$7,176,069 surplus. The actual revenues were \$69,913,263 or \$6,377,169 higher than expected. Local and County sources brought in an additional \$7,211,620 while State and Federal sources brought in \$834,451 less than budgeted.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Unaudited - Continued)**

The actual General Fund expenditures were \$63,182,000 or \$3,126,605 below budget. With the anticipated budget containing a \$1,999,954 contingency actual expenditures show an additional savings \$1,126,651. The General Fund expenditures had one area , central, which exceed its budget appropriations for fiscal year 2004 - 2005 by \$112,202, and was due to the District’s Early Retirement Agency Fund being recorded at present value. More detailed information about the District’s Early Retirement Agency Fund can be found in Note 2 J of the Notes to the Basic Financial Statements.

Capital Asset and Debt Administration

Capital Assets

By the end of June 30, 2005 the District’s governmental activities had invested \$150,687,808 before depreciation, in a broad range of Capital Assets, including land, school buildings, athletic facilities, computer and audio-visual equipment, vehicles and administrative offices. This represents a net increase of \$669,803 or .447% from fiscal year 2003-2004. Total depreciation expense for the year was \$4,065,228 which brings total accumulated depreciation to \$68,636,619 for fiscal year ending June 30, 2005. (See Figure D)

Governmental Activities in Capital Assets had a decrease in land holdings of a \$1,802,662; net increase totaling \$3,017,270 in the areas of Buildings and Buildings Improvements, and Improvements other than Buildings; net increase of \$203,495 for new vehicles and new capital asset equipment.

At fiscal year end, the District had contractual purchase commitments approximately totaling \$1,466,000, which will be funded by the Special Revenue Fund - Major Maintenance and the Major Capital Projects Fund.. More detailed information about capital assets can be found in Note 3 C of the Notes to the Basic Financial Statements.

Figure D

Capital Assets (net of depreciation)							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2004	2005	2004	2005	2004	2005	2004-2005
Land	\$5,095,923	\$3,293,261	-	-	\$5,095,923	\$3,293,261	(35.375)%
Buildings and Building Improvements	72,334,536	72,148,583	-	-	72,334,536	72,148,583	(.257)%
Improvements other than Buildings	1,522,127	1,717,938	-	-	1,522,127	1,717,938	12.864 %
Equipment and Vehicles	4,844,435	4,742,663	74,115	63,019	4,918,550	4,805,682	(2.295)%
Construction in Progress	897,044	148,744	-	-	897,044	148,744	(83.418)%
Total	\$84,694,065	\$82,051,189	\$ 74,115	\$ 63,019	\$84,768,180	\$82,114,208	(3.131)%

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005
(Unaudited - Continued)**

Debt Administration / Long Term Debt

On June 30, 2005, the District had \$8,834,587 in general obligation bonds and other long-term debt outstanding or a reduction of 25.112 % from June 30, 2004 as shown in Figure E. (More detailed information about the District’s long-term liabilities is presented in Note 3 G of the Notes to the Basic Financial Statements.) On June 30, 2005, the District’s overall legal debt limit was \$325,872,832 leaving a legal debt margin of \$319,617,832 available.

Figure E

Outstanding Long Term Debt			
	Total School District		Total Percentage Change
	2004	2005	2004-2005
General obligation bonds & note	\$ 8,980,000	\$ 6,255,000	(30.345) %
Other general obligation debt - Capital leases	2,036,127	1,822,710	(10.482) %
Other general obligation debt - Sick Leave Payable	780,894	756,877	(3.076) %
Total	\$11,797,021	\$8,834,587	(25.112) %

Factors Bearing on the District’s Future

At the time these financial statements were prepared and audited, the district was aware of a few existing circumstances that could significantly affect its financial health in the future:

- In the state of Wyoming a portion of all school district’s general fund allotments are determined based on their student enrollment numbers. (Wyoming School Foundation Program) Campbell County School District No. 1 over the past ten years has seen a decline in enrollment, also called the Average Daily Membership (ADM), of 848 students. The District’s 2004-2005 ADM total of 7,141 students was 14 students less than in 2003-2004. The declining enrollment is a concern. The size of incoming kindergarten classes has increased for two consecutive years, but have not reached the size of the upper grade level classes. The local economy continues to be strong, which is demonstrated by several factors. The counties assessed valuation has risen dramatically, due to record setting coal production and the production of coal bed methane. The county’s overall population is increasing. The number of commercial and residential building permits shows explosive growth in the number of structures being built. There continues to be excellent potential for construction of new electrical power generation facilities. These indicators leave us cautiously optimistic that the decline in enrollment will be reversed.
- With the increasing assessed valuation for Campbell County, and the increased amount the District pays into the Wyoming foundation program in recapture payments, the maximum recapture limitation was reached in fiscal year 2005, giving the District an additional \$5,886,543 in general fund revenue. The Wyoming foundation program which requires school districts to send tax revenues in excess of allocations has an elaborate formula that, barring any unforeseen legislative changes, might mean more local tax money is allowed to be kept by the District. However, this calculation is not computed by the state of Wyoming Department of Education until the following July of each fiscal year, and such will not be considered revenue for any current fiscal year.
- A major issue facing all Wyoming school districts is the state funding allocation formula. In 1986 the Wyoming Legislature implemented a new school finance system which brings money into the state from two areas for redistribution to Wyoming school districts based on a cost-based formula. The first area where the State of Wyoming receives funding, to finance this new school finance system is through a 12-mill county assessment and the second is from school districts which receive monies from their standard mill assessment over the established guaranteed

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2005 (Unaudited - Continued)

funding amount. Since 1987 Campbell County has paid into the State of Wyoming's School Foundation Program more than \$653,261,830; \$388,540,593 from the 12 mill county assessment and \$264,721,237 in recapture payments from Campbell County School District No.1.

Since the new school finance system's inception numerous lawsuits have been filed over equity and adequately funding small schools. On February 23, 2001, the Wyoming Supreme Court handed down its ruling in Campbell County v State of Wyoming, the fourth school finance decision since 1971. The Court found certain provisions of the Cost-based Block Grant model unconstitutional and ruled that the Legislature must remedy them on or before July 1, 2002. Although the methodology for computing teacher salaries was found to be constitutional with the exception that a revision to reflect cost changes since 1996-1997, the Cost-based Block Grant for the following was found to be unconstitutional: Administrative salaries, Classified wages, Vocational education, at-risk students, regional cost, small schools, small district and maintenance and operations. As of June 30, 2005 litigation is still pending.

Contacting the District's Financial Management

This financial report is designed to provide the district's citizens, taxpayer, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Office, Campbell County School District No.1, 1000 West Eight Street, PO Box 3033, Gillette, WY 82717-3033 or visit the District's web site at www.ccsd.k12.wy.us.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF NET ASSETS

June 30, 2005

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Unit BOCHES
ASSETS				
Cash	\$ 762,092	\$ 21,603	\$ 783,695	\$ 205,835
Cash With Fiscal Agent	3,789,189	-	3,789,189	-
Temporary Investments	28,687,202	232,671	28,919,873	710,804
Taxes Receivable (net of allowance for uncollectibles)	2,408,703	-	2,408,703	70,691
Interest Receivable	7,507	71	7,578	-
Other Accounts Receivable	152,489	7,996	160,485	-
Due From Other Governments	1,865,072	-	1,865,072	-
Inventories	763,175	26,283	789,458	-
Capital Assets:				
Non-depreciable Capital Assets	3,442,005	-	3,442,005	-
Depreciable Capital Assets, Net	78,609,184	63,019	78,672,203	-
Total Assets	\$ 120,486,618	\$ 351,643	\$ 120,838,261	\$ 987,330
LIABILITIES				
Accounts Payable	\$ 300,028	\$ 32,837	\$ 332,865	\$ 2,055
Accrued Compensation	5,206,766	-	5,206,766	-
Contracts and Retainage Payable	58,667	-	58,667	-
State Foundation Payable	1,947,500	-	1,947,500	-
Estimated Claims Payable	989,500	-	989,500	-
Deferred Revenue	989,089	-	989,089	-
Due To Other Entities	1,458,367	-	1,458,367	40,000
Noncurrent Liabilities:				
Due Within One Year	3,641,623	-	3,641,623	-
Due Within More Than One Year	5,192,964	-	5,192,964	-
Total Liabilities	\$ 19,784,504	\$ 32,837	\$ 19,817,341	\$ 42,055
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 73,973,479	\$ 63,019	\$ 74,036,498	\$ -
Restricted for:				
Debt Service	3,789,189	-	3,789,189	-
Capital Projects	3,183,889	-	3,183,889	-
Unrestricted	19,755,557	255,787	20,011,344	945,275
Total Net Assets	\$ 100,702,114	\$ 318,806	\$ 101,020,920	\$ 945,275

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2005

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction:			
Regular	\$ 30,741,958	\$ 256,887	\$ 2,469,440
Special Education	8,708,248	20,200	1,247,969
Vocational	2,513,167	98,869	132,595
Adult/Continuing	5,432	-	5,432
Support Services:			
Pupil	6,441,467	200,187	187,403
Instructional Staff	4,182,377	16,278	828,458
General Administration	928,907	2,700	1,001
School Administration	3,958,637	97,128	5,323
Business	1,531,627	29,593	86,444
Operation and Maintenance of Plant	8,052,935	8,500	-
Pupil Transportation	3,844,481	9,653	-
Central	4,137,175	-	49,272
Other Support Services	267,673	-	175,769
Operation of Non-Instructional Services:			
Community Services	1,172,495	148,896	430,617
Debt Service:			
Interest on Long Term Debt	606,617	-	-
Total Governmental Activities	\$ 77,093,196	\$ 888,891	\$ 5,619,723
Business-type Activities:			
Food Service	\$ 2,462,803	\$ 1,765,661	\$ 750,330
Total Primary Government	\$ 79,555,999	\$ 2,654,552	\$ 6,370,053
Component Unit:			
BOCHES	\$ 1,358,119	\$ -	\$ -
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes			
Property Taxes, levied for debt service			
Property Taxes, levied for public recreation			
Grants and Contributions not restricted to specific programs			
Capital Grant restricted for debt service			
Interest			
Other Local Revenue			
Miscellaneous			
(Loss) on sale of capital assets			
Transfers			
Total General Revenues and Transfers			
Change in Net Assets			
Net Assets, Beginning July 1			
Net Assets, Ending June 30			

See Notes to the Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Totals	BOCHES	
\$ (28,015,631)	\$ -	\$ (28,015,631)	\$ -	-
(7,440,079)	-	(7,440,079)	-	-
(2,281,703)	-	(2,281,703)	-	-
-	-	-	-	-
(6,053,877)	-	(6,053,877)	-	-
(3,337,641)	-	(3,337,641)	-	-
(925,206)	-	(925,206)	-	-
(3,856,186)	-	(3,856,186)	-	-
(1,415,590)	-	(1,415,590)	-	-
(8,044,435)	-	(8,044,435)	-	-
(3,834,828)	-	(3,834,828)	-	-
(4,087,903)	-	(4,087,903)	-	-
(91,904)	-	(91,904)	-	-
(592,982)	-	(592,982)	-	-
(606,617)	-	(606,617)	-	-
\$ (70,584,582)	\$ -	\$ (70,584,582)	\$ -	-
\$ -	\$ 53,188	\$ 53,188	\$ -	-
\$ (70,584,582)	\$ 53,188	\$ (70,531,394)	\$ -	-
\$ -	\$ -	\$ -	\$ (1,358,119)	-
\$ 66,535,976	\$ -	\$ 66,535,976	\$ 1,969,965	-
87,102	-	87,102	-	-
3,336,195	-	3,336,195	-	-
8,886,948	-	8,886,948	-	-
1,500,000	-	1,500,000	-	-
975,584	3,829	979,413	1,508	-
2,176,045	-	2,176,045	-	-
874,195	-	874,195	-	-
(643,948)	-	(643,948)	-	-
(93,625)	93,625	-	-	-
\$ 83,634,472	\$ 97,454	\$ 83,731,926	\$ 1,971,473	-
\$ 13,049,890	\$ 150,642	\$ 13,200,532	\$ 613,354	-
87,652,224	168,164	87,820,388	331,921	-
\$ 100,702,114	\$ 318,806	\$ 101,020,920	\$ 945,275	-

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005**

	General Fund	Debt Service	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 260,373	\$ -	\$ -	\$ 492,923	\$ 753,296
Cash With Fiscal Agent	-	3,789,189	-	-	3,789,189
Temporary Investments	16,840,748	-	4,119,098	6,664,560	27,624,406
Taxes Receivable (net of allowance for uncollectibles)	2,307,871	56,567	204	44,061	2,408,703
Interest Receivable	5,353	-	813	987	7,153
Other Accounts Receivable	24,932	-	-	953	25,885
Due From Other Funds	514,978	-	1,063	596,725	1,112,766
Due From Other Governments	1,341,774	-	-	523,298	1,865,072
Inventories	760,492	-	2,002	681	763,175
Total Assets	\$22,056,521	\$ 3,845,756	\$ 4,123,180	\$ 8,324,188	\$ 38,349,645
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 69,256	\$ -	\$ -	\$ 33,545	\$ 102,801
Accrued Compensation	5,206,766	-	-	-	5,206,766
Contracts and Retainage Payable	-	-	29,499	29,168	58,667
State Foundation Payable	1,947,500	-	-	-	1,947,500
Due To Other Funds	3,534,449	-	-	514,978	4,049,427
Deferred Revenue	1,709,379	56,567	204	21,248	1,787,398
Sick Leave Payable	-	-	-	39,135	39,135
Due To Other Entities	1,458,367	-	-	-	1,458,367
Total Liabilities	\$13,925,717	\$ 56,567	\$ 29,703	\$ 638,074	\$ 14,650,061
FUND BALANCES					
Fund Balances					
Reserved for:					
Encumbrances	\$ 195,768	\$ -	\$ -	\$ 266,824	\$ 462,592
Debt Service	-	3,789,189	-	-	3,789,189
Capital Projects	-	-	2,958,074	225,815	3,183,889
Unreserved:					
Undesignated, Reported in:					
General Fund	7,935,036	-	-	-	7,935,036
Capital Construction	-	-	1,135,403	-	1,135,403
Special Revenue Funds	-	-	-	7,193,475	7,193,475
Total Fund Balances	\$ 8,130,804	\$ 3,789,189	\$ 4,093,477	\$ 7,686,114	\$ 23,699,584
Total Liabilities and Fund Balances	\$22,056,521	\$ 3,845,756	\$ 4,123,180	\$ 8,324,188	\$ 38,349,645

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES**

June 30, 2005

Total Governmental Fund Balances	\$ 23,699,584
Amounts reported for governmental activities in the statement of net assets are different because	
Property and production taxes are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,678,702
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Non-depreciable capital assets	3,442,005
Depreciable assets	147,245,803
Less: accumulated depreciation	<u>(68,636,619)</u>
	82,051,189
An Internal Service Fund is used by Campbell County School District No. 1 to charge the cost of the District's self-insurance to individual funds. The assets and liabilities of the internal service fund is included in the governmental activities in the statement of net assets. Internal Service Fund net assets are:	2,948,484
Unexpended hail damage insurance proceeds which are reflected as revenue when received in the funds but are reflected as a liability in governmental activities until the related expense is incurred.	(880,393)
Long-term liabilities including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds	6,255,000
Capital Leases Payable	1,822,710
Sick Leave Payable	<u>717,742</u>
	(8,795,452)
Net Assets of Governmental Activities	\$ 100,702,114

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2005

(Page 1 of 2)

	General Fund	Debt Service	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Local Sources:					
Taxes	\$ 54,251,220	\$ 142,874	\$ 355	\$ 3,349,501	\$ 57,743,950
Interest	800,368	-	75,004	55,924	931,296
Tuition and Fees	78,655	-	-	364,873	443,528
Rentals	28,610	-	-	22,289	50,899
Charges for Services	9,653	-	-	384,811	394,464
Contributions and Donations	16,311	-	-	168,394	184,705
Miscellaneous	58,027	-	-	320,220	378,247
Total Local Sources	\$ 55,242,844	\$ 142,874	\$ 75,359	\$ 4,666,012	\$ 60,127,089
County Sources:					
Taxes	\$ 13,518,780	\$ -	\$ -	\$ 2,831	\$ 13,521,611
State Sources:					
Taxes	\$ 29,579	\$ -	\$ -	\$ -	\$ 29,579
Intergovernmental	1,185,294	-	-	5,849,857	7,035,151
Total State Sources	\$ 1,214,873	\$ -	\$ -	\$ 5,849,857	\$ 7,064,730
Federal Sources:					
Intergovernmental	\$ 76,266	\$ 1,500,000	\$ -	\$ 4,273,888	\$ 5,850,154
Total Revenues	\$ 70,052,763	\$ 1,642,874	\$ 75,359	\$ 14,792,588	\$ 86,563,584
EXPENDITURES					
Current:					
Instruction:					
Regular	\$ 24,848,036	\$ -	\$ -	\$ 2,013,646	\$ 26,861,682
Special Education	6,767,344	-	-	1,993,510	8,760,854
Vocational Education	2,228,389	-	-	290,112	2,518,501
Adult/Continuing	-	-	-	5,432	5,432
Support Services:					
Pupil	6,000,186	-	-	454,019	6,454,205
Instructional Staff	3,191,578	-	-	1,003,347	4,194,925
General Administration	825,659	-	-	22,407	848,066
School Administration	3,859,640	-	-	98,997	3,958,637
Business	1,435,141	-	-	101,802	1,536,943
Operation and Maintenance of Plant	6,873,662	-	-	786,229	7,659,891
Pupil Transportation	3,844,481	-	-	-	3,844,481
Central	1,295,663	-	-	195,331	1,490,994
Other Support	115,115	-	-	154,539	269,654
Operation of Non-Instructional Service:					
Community Services	33,780	-	-	1,144,061	1,177,841
Capital Outlay	771,176	-	516,270	2,312,926	3,600,372
Debt service:					
Interest	107,557	499,060	-	-	606,617
Principal	984,593	2,725,000	-	-	3,709,593
Total Expenditures	\$ 63,182,000	\$ 3,224,060	\$ 516,270	\$ 10,576,358	\$ 77,498,688
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ 6,870,763	\$ (1,581,186)	\$ (440,911)	\$ 4,216,230	\$ 9,064,896

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS**Year Ended June 30, **2005**

(Page 2 of 2)

	General Fund	Debt Service	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 150,000	\$ -	\$ 1,135,403	\$ 1,517,576	\$ 2,802,979
Transfers (Out)	(1,629,553)	-	-	(1,357,576)	(2,987,129)
Proceeds From Capital Lease	771,176	-	-	-	771,176
Sale of Capital Assets	1,153,183	-	-	-	1,153,183
Total Other Financing Sources	\$ 444,806	\$ -	\$ 1,135,403	\$ 160,000	\$ 1,740,209
Net Change in Fund Balances	\$ 7,315,569	\$ (1,581,186)	\$ 694,492	\$ 4,376,230	\$ 10,805,105
FUND BALANCES, BEGINNING JULY 1	815,235	5,370,375	3,398,985	3,309,884	12,894,479
FUND BALANCES, ENDING JUNE 30	\$ 8,130,804	\$ 3,789,189	\$ 4,093,477	\$ 7,686,114	\$ 23,699,584

See Notes to the Basic Financial Statements.

CAMPBELL 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, 2005

Net Change in Fund Balances - Total Governmental Funds	\$ 10,805,105
Amounts reported for governmental activities in the statement of activities are different because	
Timing differences for the recognition of property and production tax revenues between revenues reported in the funds and revenues reported in the statement of activities.	(1,335,867)
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 as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(835,145)
Governmental funds recognize gain on sale of capital assets as the sales proceeds received. However, in the statement of activities, this amount is reduced by the remaining net book value of the assets that are disposed of. This is the amount of the net book value of assets disposed of.	(1,807,731)
Hail damage insurance proceeds provide current financial resources to governmental funds and are recorded as revenue when received, but these proceeds are recorded as a liability in the statement of net assets until such time as the related repair expenses are incurred.	322,685
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(771,176)
An Internal Service Fund is used by Campbell County School District No. 1 to charge the cost of the District's self-insurance to individual funds. The net income (loss) of the internal service fund is reported with governmental activities.	2,948,484
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,725,000
Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	984,593
Decrease in long-term sick leave payable is not reflected in the governmental funds, but decreased long-term liabilities in the statement of net assets.	13,942
Change in Net Assets of Governmental Activities	\$ 13,049,890

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
GENERAL FUND

Year Ended June 30, 2005

(Page 1 of 2)

	Budgeted Amounts		Actual *	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Taxes	\$ 48,477,458	\$ 48,477,458	\$ 54,147,120	\$ 5,669,662
Interest	287,000	287,000	800,368	513,368
Tuition and Fees	83,900	83,900	78,655	(5,245)
Rentals	23,000	23,000	28,610	5,610
Charges for Services	20,000	20,000	9,653	(10,347)
Contributions and Donations	-	38,980	16,311	(22,669)
Miscellaneous	66,856	66,856	60,827	(6,029)
Total Local Revenues	\$ 48,958,214	\$ 48,997,194	\$ 55,141,544	\$ 6,144,350
County Sources:				
Taxes	\$ 12,419,110	\$ 12,419,110	\$ 13,486,380	\$ 1,067,270
State Sources:				
Taxes	\$ 35,000	\$ 35,000	\$ 23,779	\$ (11,221)
Intergovernmental	-	1,687,749	1,185,294	(502,455)
Total State Sources	\$ 35,000	\$ 1,722,749	\$ 1,209,073	\$ (513,676)
Federal Sources:				
Intergovernmental	\$ -	\$ 397,041	\$ 76,266	\$ (320,775)
Total Revenues	\$ 61,412,324	\$ 63,536,094	\$ 69,913,263	\$ 6,377,169
EXPENDITURES				
Current:				
Instruction:				
Regular	\$ 25,282,317	\$ 26,893,558	\$ 24,848,036	\$ 2,045,522
Special Education	6,702,583	6,883,368	6,767,344	116,024
Vocational Education	2,272,307	2,276,143	2,228,389	47,754
Support Services:				
Pupil	6,238,930	6,179,142	6,000,186	178,956
Instructional Staff	3,119,411	3,248,638	3,191,578	57,060
General Administration	877,490	862,499	825,659	36,840
School Administration	3,801,825	3,864,045	3,859,640	4,405
Business	1,437,411	1,451,762	1,435,141	16,621
Operation and Maintenance of Plant	7,258,334	7,128,227	6,873,662	254,565
Pupil Transportation	4,257,021	4,279,555	3,844,481	435,074
Central	1,072,724	1,183,461	1,295,663	(112,202)
Other Support	56,022	123,451	115,115	8,336
Operation of Non-Instructional Services				
Community Services	33,830	65,001	33,780	31,221
Capital Outlay	769,676	772,676	771,176	1,500
Debt service:				
Interest	107,557	107,557	107,557	-
Principal	989,522	989,522	984,593	4,929
Total Expenditures	\$ 64,276,960	\$ 66,308,605	\$ 63,182,000	\$ 3,126,605
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	\$ (2,864,636)	\$ (2,772,511)	\$ 6,731,263	\$ 9,503,774

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP) AND ACTUAL
GENERAL FUND

Year Ended June 30, 2005

(Page 2 of 2)

	Budgeted Amounts		Actual *	Variance With Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Transfers (Out)	(310,000)	(403,625)	(1,629,553)	(1,225,928)
Proceeds from Capital Lease	769,676	771,176	771,176	-
Sale of Capital Assets	5,000	5,000	1,153,183	1,148,183
Total Other Financing Sources	\$ 614,676	\$ 522,551	\$ 444,806	\$ (77,745)
Net Change in Fund Balance	\$ (2,249,960)	\$ (2,249,960)	\$ 7,176,069	\$ 9,426,029
FUND BALANCE, BEGINNING JULY 1, 2004	2,902,235	2,902,235	2,902,235	-
FUND BALANCE, ENDING JUNE 30, 2005	\$ 652,275	\$ 652,275	\$ 10,078,304	\$ 9,426,029

See Notes to the Basic Financial Statements.

* The actual revenues and expenditures reflected in this schedule have been adjusted to the method of accounting used for budgetary purposes.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET ASSETS
PROPRIETARY FUND**

June 30, 2005

	Business-Type Activities
	Food Service
ASSETS	
Current Assets	
Cash	\$ 21,603
Temporary Investments	232,671
Interest Receivable	71
Accounts Receivable	7,996
Inventories	26,283
Total Current Assets	\$ 288,624
Capital Assets, Net	\$ 63,019
Total Assets	\$ 351,643
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 32,837
NET ASSETS	
Invested in Capital Assets	\$ 63,019
Unrestricted	255,787
Total Net Assets	\$ 318,806

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND**

Year Ended June 30, 2005

	Business-Type Activities
	Food Service
OPERATING REVENUES	
Charges for Services	\$ 1,765,661
OPERATING EXPENSES	
Salaries	\$ 774,797
Fringe Benefits	198,655
Purchased Services	7,301
Materials and Supplies	11,344
Direct Food Costs	1,451,266
Depreciation	12,508
Other	6,932
Total Operating Expenses	\$ 2,462,803
Operating (Loss)	\$ (697,142)
NONOPERATING REVENUES (EXPENSES)	
Donated Commodities	\$ 85,592
Operating Grants	664,738
Interest	3,829
Total Nonoperating Revenues	\$ 754,159
Income Before Transfers	\$ 57,017
TRANSFERS	
Transfers In	93,625
Change in Net Assets	\$ 150,642
NET ASSETS, BEGINNING JULY 1	168,164
NET ASSETS, ENDING JUNE 30	\$ 318,806

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND**

Year Ended June 30, 2005

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,763,131
Cash Payments to Employees for Services	(774,797)
Cash Payments for Employee Benefits	(198,655)
Cash Payments for Goods and Services	(1,367,393)
Net Cash (Used in) Operating Activities	\$ (577,714)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Grants Received	\$ 665,539
Transfers In	93,625
Net Cash Provided by Noncapital Financing Activities	\$ 759,164
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Capital Acquisitions	\$ (1,412)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	\$ 3,763
Proceeds from Maturities of Investments	660,000
Purchase of Investments	(828,612)
Net Cash (Used In) Investing Activities	\$ (164,849)
Net Increase in Cash	\$ 15,189
Cash, Beginning July 1	6,414
Cash, Ending June 30	\$ 21,603
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities	
Operating (Loss)	\$ (697,142)
Adjustments:	
Depreciation	12,508
Donated Commodities Used During Year	85,592
(Increase) Decrease in Assets:	
Accounts Receivable	(2,530)
Inventories	9,217
Increase in Liabilities:	
Accounts Payable	14,641
Net Cash (Used in) Operating Activities	\$ (577,714)

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND**

June 30, 2005

	Self-Insurance Health Fund
ASSETS	
CURRENT ASSETS	
Cash	\$ 8,796
Temporary Investments	1,062,796
Interest Receivable	354
Other Accounts Receivable	126,604
Due From Other Funds	2,936,661
Total Assets	\$ 4,135,211
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$ 197,227
Estimated Claims Payable	989,500
Total Liabilities	\$ 1,186,727
NET ASSETS	
Unrestricted	\$ 2,948,484

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUND**

Year Ended June 30, 2005

	Self-Insurance Health Fund
OPERATING REVENUES	\$ 6,295,952
OPERATING EXPENSES	
Salaries	\$ 23,864
Fringe Benefits	7,758
Claims and Contractual Services	6,387,320
Total Operating Expenses	\$ 6,418,942
Operating (Loss)	\$ (122,990)
NONOPERATING REVENUES	
Operating Grants	\$ 2,936,661
Interest	44,288
Total Nonoperating Revenues	\$ 2,980,949
Income Before Transfers	\$ 2,857,959
TRANSFERS	
Transfers In	90,525
Changes In Net Assets	\$ 2,948,484
NET ASSETS, BEGINNING JULY 1	-
NET ASSETS, ENDING JUNE 30	\$2,948,484

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND**

Year Ended June 30, 2005

	Self-Insurance Health Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 6,347,898
Cash Payments to Employees For Services	(23,864)
Cash Payments for Employee Benefits	(7,758)
Cash Payments for Goods and Services	(6,032,690)
Net Cash Provided By Operating Activities	\$ 283,586
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	\$ 43,981
Proceeds from Maturities of Investments	6,409,943
Purchase of Investments	(6,728,892)
Net Cash (Used In) Investment Activities	\$ (274,968)
Net Increase in Cash	\$ 8,618
Cash, Beginning July 1	178
Cash, Ending June 30	\$ 8,796
Reconciliation of Operating (Loss) to Net Cash Provided By Operating Activities	
Operating (Loss)	\$ (122,990)
Decrease in Assets:	
Other Accounts Receivable	51,946
Increase in Liabilities:	
Accounts Payable	78,130
Estimated Claims Payable	276,500
Net Cash Provided By Operating Activities	\$ 283,586

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

June 30, 2005

	Agency Funds
ASSETS	
Cash	\$ 19,078
Temporary Investments	382,362
Interest Receivable	205
Due From Other Entities	1,458,367
Total Assets	\$ 1,860,012
LIABILITIES	
Due to Student Groups	\$ 189,587
Flexible Benefits Payable	19,078
Early Retirement Awards Payable	1,651,347
Total Liabilities	\$ 1,860,012

See Notes to the Basic Financial Statements.

**CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

Campbell County School District No. 1 is a political subdivision of the State of Wyoming and provides a broad range of educational services to the youth of Campbell County, Wyoming. It is governed by an elected board of seven trustees. As required by accounting principles generally accepted in the United States of America these financial statements present the District and its component units, for which the District is considered to be financially accountable. Blended component units, although legally separate units, are, in substance part of the District's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government. The component units have a June 30 year end.

Blended Component Unit - The Campbell County Community Public Recreation District (CCCPRD) provides funding to the Campbell County community for recreation projects, which may include facilities, construction, programs and equipment. The Campbell County School District No. 1 Board of Trustees appoints all five members of the CCCPRD's Governing Board. CCCPRD is fiscally dependent on the District because the District's Board of Trustees must approve annually a 1 mill levy which provides the CCCPRD's funding. CCCPRD is reported as a special revenue fund.

Discretely Presented Component Unit - The Campbell County Board of Cooperative Higher Educational Services (BOCHES) provides a broad range of educational services for adults. The District's Board of Trustees appoints three of the five members of BOCHES' Governing Board. The Board is fiscally dependent on the District because the District's Board of Trustees must approve annually a .5 mill levy which provides the Board's funding.

Complete financial information for these component units may be obtained at Campbell County Board of Cooperative Higher Educational Service and Campbell County Community Public Recreation District administrative offices located at 1000 W. Eighth Street, Gillette, Wyoming.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units 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 are 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 properly not 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.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. 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 and production 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 government 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 claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

The *debt service fund* accounts for financial resources to be used for payment of principal and interest on general obligation long-term debt.

The *capital construction fund* accounts for the resources accumulated and payments made for the purchase of capital items and for construction projects. This fund has been funded by a special mill levy in prior years and accounts for various projects selected by the District.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

Additionally, the government reports the following fund types:

Proprietary Funds - Proprietary funds focus on the determination of the changes in net assets, financial position and cash flows. The District's proprietary fund is an enterprise fund. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The District's enterprise fund is the Food Service Fund which accounts for the financial transactions related to the food service operations of the District.

Internal Service Fund - The internal service fund accounts for operations that provide services to other funds of Campbell County School District No. 1 on a cost-reimbursement basis. The District uses the internal service fund to account for the financing and operations of the District's self-insurance health plan.

Fiduciary Funds - The District's fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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 and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

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 food service enterprise fund are charges for food sales. Operating expenses for the food service enterprise fund include direct food costs, salaries and related benefits, depreciation on capital assets and other administrative expenses. 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Cash and Investments

The District's cash is considered to be cash on hand and demand deposit accounts.

The District is authorized by its governing board to invest in obligations of the U.S. Treasury, notes and bonds, agencies of all the U.S. Government that are backed by the full faith and credit of the United States Government, and Government National Mortgage Association mortgage-backed pass-through certificates which are authorized by State Statutes.

Investments (all of which have maturities of less than one year) for the District, as well as for its component units, are reported at fair value. The State Investment Pools operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Cash With Fiscal Agent

Cash with fiscal agent represents property and production taxes collected and held by the Campbell County Treasurer, for repayment of the District's General Obligation Bonds.

3. Inventory

On government-wide and fund financial statements, governmental inventories are presented at average cost which is not in excess of market. Inventory in the General Fund and the Technology Special Revenue Fund consists of expendable supplies held for consumption and are accounted for using the "consumption" method, whereby the costs are recorded as an expenditure at the time the individual inventory items are used.

On government-wide and fund financial statements, proprietary food service inventories are presented at cost. Inventory in the Food Service Fund consists of donated food and purchased food and are expensed when purchased and then adjusted to the end-of-year actual physical inventory count.

4. Interfund Balances

On 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 net assets, except for the net residual amounts due between governmental and business-type activities. There were no amounts due between governmental and business-type activities at year end.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary fund are reported both in the business-type activities column of the government-wide statement of net assets and in the respective fund.

All capital assets are capitalized at cost and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value at date of receipt. The District maintains a capitalization threshold of \$5,000, except for the Food Service fund which has a capital asset valuation threshold of \$600 or more to be capitalized and depreciated. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business- Type Activities Estimated Lives
Buildings and building improvements	10 - 50 years	N/A
Improvements other than buildings	15 years	N/A
Equipment and vehicles	5 - 20 years	10 -15 years

6. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means, such as payment for unused accumulated vacation leave upon termination of services. The District records a liability for accumulated unused vacation time when earned for all eligible employees. The amount due for unused vacation leave is included in accrued compensation in the government-wide statements. The District anticipates that this amount will be liquidated using currently available resources. Therefore, the entire amount is included in accrued compensation in the governmental fund financial statements.

The District's sick leave reimbursement policy allows an employee who leaves the District to be reimbursed for unused accumulated sick leave. The amount that is actually due at year-end is recorded as a payable in the Sick Leave Special Revenue Fund. Due means the employee has applied for the leave but has not received payment at year end. Amounts not due at year end are recorded as long-term debt in the government-wide statement of net assets.

7. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, liabilities that mature or come due for payment during the fiscal year are considered to have been made with current available financial resources. General obligation bonds, long-term capital leases and the portion of sick leave payable that has accrued but not yet been applied for that will be paid from governmental funds are recognized as a liability in the government-wide financial statements.

8. Fund Balance

The District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Designations of fund balance represent tentative management plans that are subject to change. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, debt service and capital projects.

9. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

10. Property and Production Tax Revenues

Property and production tax revenues represent property and production taxes for 2004 and prior years which are collectible during the year ended June 30, 2005. Property and production taxes which are not collected within 60 days after June 30 are recorded as deferred revenue. Property and production taxes are levied by the first Monday of August and are payable in two installments, which are due September 1 and March 1. These installments become delinquent, and thus payable, on November 10 and May 10. The taxpayer may elect, without penalty, to pay the entire balance on December 31. Property and production taxes are collected by the County Treasurer and remitted to the District in the month following that of collection.

11. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Data

Budgets for the Special Revenue, Debt Service and Capital Projects Funds are prepared on the same basis and using the same accounting practices as are used to prepare the financial reports. The budget for the General Fund is prepared on the same basis used to prepare the financial report with the exception that payments to the State Foundation Program are budgeted on the cash basis of accounting.

On or before the last Thursday of March each year, all agencies and departments of the District submit requests for appropriations to the finance department so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability (Continued)

Before May 15, the proposed budget is presented to the District's Board of Trustees for review. The District's Board of Trustees hold public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the finance department, or, the revenue estimates must be changed by an affirmative vote of the majority of the District's Board of Trustees.

Unexpended budgeted amounts lapse at the end of the budget year. Budgetary control is established at the department level (instruction: regular, special, vocational, adult/continuing; support services: pupil, instructional staff, general administration, school administration, business, operation and maintenance of plant, pupil transportation, central, other support; operation of non-instructional service: community services) for the General Fund and at the fund level for the Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Management control is exercised at the budgetary line item level. The District may amend its budget after it is approved using the same procedures necessary to approve the original budget. Over the course of the year, the District revised the annual budget one time. These budget amendments fall into two categories: budget transfers between function classifications to properly record expenditures and increases in appropriations to recognize actual funding received from state and federal sources and to prevent budget over runs. The amounts reported as the original budgeted amounts in the budgetary statements reflect appropriation in the first complete appropriated budget. The amounts reported as the final budgeted amounts in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

B. Budget/GAAP Reconciliation

Budgetary comparisons in the financial statements are presented on a budgetary basis. Adjustments necessary to reconcile the General Fund revenues at the end of the year on the budgetary basis to actual are as follows:

	Revenues
Budgetary basis	\$ 69,913,263
Adjustment for State Foundation Program payable at June 30, 2004	2,087,000
Adjustment for State Foundation Program payable at June 30, 2005	(1,947,500)
Generally accepted accounting principles basis	\$ 70,052,763

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2005 expenditures exceeded appropriations in the General Fund's Central Support Services and Transfers (Out) by \$112,202 and \$1,225,928, respectively. The overexpenditure occurred in Transfers (Out) as a result of transferring proceeds from the sale of capital assets to the Capital Construction Fund.

Note 3. Detailed Notes on All Funds

A. Deposits and Investments

Deposits - Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy requires all acceptable securities pledged as collateral must have a fair market value equal to or exceeding 105 percent of total deposits, including any accrued interest, less the amount of Federal Deposit Corporation Insurance (FDIC), unless an exception is specifically granted by the Board of Trustees or an authorized representative of the Board.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Deposits of the District were covered in their entirety by federal depository insurance and collateral held by the District's agent under a joint custody receipt in the District's name at June 30, 2005.

Investments - As of June 30, 2005 the District had the following investments:

Investment Type	Fair Value	Credit Quality Ratings ⁽¹⁾	Weighted Average Maturity (Days)
Primary Government			
Money Market Savings Account	\$ 1,589,653	N/A	N/A
Wyoming Government Investment Fund	3,519,546	N/A	39
Wyoming State Investment Pool	23,810,674	N/A	1
Total Primary Government Investments	\$28,919,873		
Fiduciary Funds			
Wyoming State Investment Pool	\$ 382,362	N/A	1
Component Unit			
Wyoming Government Investment Fund	\$ 710,804	N/A	39
Total Investments	\$30,013,039		

⁽¹⁾ Ratings are provided where applicable to indicate associated credit risk. N/A indicates not applicable.

Investment Policies

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. Investing is performed in accordance with investing policies adopted by the governing board complying with State Statutes. District funds may be invested in obligations of the U.S. Treasury, notes and bonds, agencies of the U.S. Government that are backed by the full faith and credit of the United States Government and Government National Mortgage Association mortgage-backed pass-through certificates. The District's investments are currently not rated by a nationally recognized statistical rating organization (NRSRO).

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District does not address interest rate risk in its investing policy except to invest in investments which secure a maximum yield of interest revenues to supplement other revenues and support the educational programs of the District. Currently there are no restrictions on when the District can withdraw or contribute money to its current investments. The Wyoming Government Investment Fund invests in a wide variety of investments which are all allowed under State Statutes. The weighted average maturity of this fund is 39 days. The Wyoming State Investment Pool only invests in U.S. Treasuries with a maturity of one day which are bought and resold on the same day.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in open-end mutual funds and external investment pools are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form, and therefore, the District is not exposed to custodial credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from the concentration of credit risk requirements. The District does not address concentration of credit risk in its investment policy.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

B. Taxes Receivable

Receivables as of year end for the District's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Capital Construction Fund	Non-Major Funds	Total
Taxes Receivable	\$ 4,624,531	\$ 144,082	\$ 3,540	\$ 59,851	\$ 4,832,004
Less: Allowance for uncollectibles	(2,316,660)	(87,515)	(3,336)	(15,790)	(2,423,301)
Taxes Receivable, Net	\$ 2,307,871	\$ 56,567	\$ 204	\$ 44,061	\$ 2,408,703

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	Unavailable
Property taxes receivable (General Fund)	\$ 1,600,683
Deferred grant revenue (General Fund)	108,696
Property taxes receivable (Debt Service Fund)	56,567
Property taxes receivable (Capital Construction Fund)	204
Property taxes receivable (Non-Major Funds)	21,248
Total Deferred Revenue for Governmental Funds	\$ 1,787,398

C. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Governmental Activities				
Non-depreciable capital assets:				
Land	\$ 5,095,923	\$ -	\$ (1,802,662)	\$ 3,293,261
Construction in progress	897,044	1,462,954	(2,211,254)	148,744
Total non-depreciable capital assets	\$ 5,992,967	\$ 1,462,954	\$ (4,013,916)	\$ 3,442,005
Depreciable capital assets:				
Buildings and building improvements	\$ 117,825,400	\$ 2,641,468	\$ (36,966)	\$ 120,429,902
Improvements other than buildings	12,843,269	417,885	(5,117)	13,256,037
Equipment and vehicles	13,356,369	919,030	(715,535)	13,559,864
Total depreciable capital assets	\$ 144,025,038	\$ 3,978,383	\$ (757,618)	\$ 147,245,803
Less accumulated depreciation for:				
Buildings and building improvements	\$ (45,490,864)	\$(2,827,421)	\$ 36,966	\$ (48,281,319)
Improvements other than buildings	(11,321,142)	(222,074)	5,117	(11,538,099)
Equipment and vehicles	(8,511,934)	(1,015,733)	710,466	(8,817,201)
Total accumulated depreciation	\$ (65,323,940)	\$(4,065,228)	\$ 752,549	\$ (68,636,619)

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Total depreciable capital assets, net	\$ 78,701,098	\$ (86,845)	\$ (5,069)	\$ 78,609,184
Governmental activities capital assets, net	\$ 84,694,065	\$ 1,376,109	\$ (4,018,985)	\$ 82,051,189
Business-type Activities				
Depreciable capital assets:				
Equipment and vehicles	\$ 551,262	\$ 1,412	\$ -	\$ 552,674
Less accumulated depreciation	(477,147)	(12,508)	-	(489,655)
Total depreciable capital assets, net	\$ 74,115	\$ (11,096)	\$ -	\$ 63,019

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
Regular instruction	\$ 3,975,081
General administration	90,147
Total depreciation expense - governmental activities	\$ 4,065,228
Business-type Activities	
Food service	\$ 12,508

The construction in progress represents construction related to improvements at several schools and the construction of the new Recluse school. Actual signed contracts for these projects approximate \$223,000 and will be funded by the Major Maintenance Special Revenue Fund and the Major Capital Projects Fund. Contracts signed but not yet started approximated \$1,243,000 at June 30, 2005.

D. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2005 are as follows:

	Receivable	Payable
Major Funds:		
General Fund	\$ 514,978	\$ 3,534,449
Capital Construction Fund	1,063	-
Total Major Funds	\$ 516,041	\$ 3,534,449

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

	Receivable	Payable
Non-Major Funds:		
Special Revenue Funds:		
"K" Fund	\$ 473,228	\$ -
Technology Fund	-	59
Sick Leave	672	-
CCCPRD	122,238	-
Carl Perkins	-	14,259
Title I	-	82,625
Title I - Neglected and Delinquent	-	30,441
Title I - Even Start	-	14,110
Title V	-	6,043
Drug Free Schools	-	5,887
Title II	-	45,899
Part B	-	159,209
Title III	-	2,080
21 st Century SIG	-	30,764
Capital Project Funds:		
Depreciation Reserve	587	-
Major Capital Projects	-	123,602
Total Non-Major Funds	\$ 596,725	\$ 514,978
Internal Service Fund	\$ 2,936,661	\$ -
	\$ 4,049,427	\$ 4,049,427

Interfund Transfers:

	General Fund	Capital Construction	Food Service	Internal Service Fund	Nonmajor Governmental	Total
Transfers In	\$ 150,000	\$ 1,135,403	\$ 93,625	\$ 90,525	\$ 1,517,576	\$ 2,987,129
Transfers (Out)	(1,629,553)	-	-	-	(1,357,576)	(2,987,129)
Net interfund transfers	\$ (1,479,553)	\$ 1,135,403	\$ 93,625	\$ 90,525	\$ 160,000	\$ -

The primary purpose of the material interfund transfers are: 1) the General Fund made a transfer to the Capital Construction Fund transferring proceeds received from the sale of capital assets, 2) the General Fund provided operating income to the Technology Fund to help supplement the purchase of computers, software and supplies for the continued integration of technology in various District schools, 3) transfers were made from the Depreciation Reserve Fund for capital lease payments, and 4) the Campbell County Community Public Recreation District (CCCPRD) provided operating income to the "K" Fund to promote public recreation activities throughout the District.

E. Compensated Absences

The District allows its employees one day of sick leave for each month of employment, with the employees being allowed to accumulate sick leave indefinitely. The District allows its employees two days of convenience leave for each year of employment, changing to three days after ten years of employment, with the employees being allowed to accumulate a maximum of three days. The accumulated unpaid convenience leave over the maximum three days allowed will be converted to sick leave at the end of the fiscal year. The accumulated unpaid sick and convenience leave approximated \$13,041,000 at June 30, 2005.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

The District's sick leave reimbursement policy allows an employee who leaves the District be reimbursed for unused sick leave according to the following formula:

I. For days accumulated on or before June 30, 1994:

Accumulated sick leave	Reimbursement
0-60 days	-0-
61-120 days	25% x number of days over 60 x daily rate of pay
121 days and over	50% x number of days over 120 x daily rate of pay

These days will be reimbursed at the daily rate of pay effective June 30, 1994. Any decrease in accumulated sick leave balance for days accumulated on or before June 30, 1994 to 60 or fewer days will result in no longer qualifying for reimbursement under Section I.

II. For days accumulated on or after July 1, 1994:

	61-120 Days	120+ Days
Educational Support Personnel	\$15 per day	\$20 per day
Certified	\$20 per day	\$25 per day
Administrators/Supervisors	\$25 per day	\$30 per day

GASB Statement No. 6 limits the amount of compensated absence liability to be reported in the governmental funds to the amount that is actually due at year-end. Due means the employee has applied for the leave but has not yet received payment at year end. The current liability for this reimbursement at June 30, 2005 is \$39,135 and has been recorded as a payable in the Sick Leave Special Revenue Fund and as a noncurrent liability due within one year in the government-wide statement of net assets. Amounts not due at year end approximating \$718,000, are recorded as a non-current liability due within more than one year in the government-wide statement of net assets.

The District's employees have vested accrued vacation amounting to approximately \$273,000 at June 30, 2005, which has been recorded as a liability. It is anticipated that this amount will be liquidated using currently available resources; therefore, the recorded amount has been charged to expenditures for the year ended June 30, 2005.

F. Capital Leases

The District has entered into lease agreements for financing the acquisition of transportation equipment. These lease agreements provide for the transfer of title to the District at the end of the leases, and therefore qualify as capital leases for accounting purposes. The leases have been recorded at the present value of the future minimum lease payments as of the inception dates. The leases are cancelable should monies not be appropriated in future years.

The assets acquired through capital leases are as follows:

	Governmental Activities
Equipment and vehicles	\$ 3,661,908
Less: Accumulated depreciation	(993,718)
Total	\$ 2,668,190

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Payments on these obligations are being made by the General Fund. Annual debt service requirements as of June 30, 2005 are presented below:

Year Ending June 30,	Obligations Under Capital Lease
2006	\$ 806,273
2007	588,149
2008	381,161
2009	169,505
Total lease payments	\$ 1,945,088
Less interest portion	(122,378)
Present value of net minimum lease payments	\$ 1,822,710

G. Long-Term Debt

The District has previously issued general obligation bonds to provide funds for the construction of a second campus for the high school. The original amount of these bonds was \$22,000,000. These bonds are direct obligations and pledge the full faith and credit of the District. The bonds have an average interest rate of 5.5% and are payable over the next two years.

Payments on this obligation are being made by the Debt Service Fund. Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2006	\$ 2,860,000	\$ 350,548
2007	3,395,000	191,817
Total payments	\$ 6,255,000	\$ 542,365

The District entered into a Public Facilities Agreement with the Wyoming Department of Environmental Quality, Abandoned Mine Land Division (AML) to help fund the construction of the branch campus discussed above. The total amount to be paid to the District by AML shall not exceed \$12,000,000. The amounts to be paid to the District by AML is contingent on the AML being funded in future years. The District anticipates that it will use the amounts received from AML to help fund the debt service of the general obligation bonds which were issued to construct the branch campus. The funding schedule is as follows:

Year Ending June 30,	AML Payments
2006	\$ 1,500,000
2007	1,870,000
Total payments	\$ 3,370,000

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Long-term liability activity for the year ended June 30, 2005 was as follows:

	Balance June 30, 2004	Additions	Reductions	Balance June 30, 2005	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 8,980,000	\$ -	\$(2,725,000)	\$ 6,255,000	\$ 2,860,000
Capital leases	2,036,127	771,176	(984,593)	1,822,710	742,488
Sick Leave Payable	780,894	-	(24,017)	756,877	39,135
Long-term liabilities	\$11,797,021	\$ 771,176	\$(3,733,610)	\$ 8,834,587	\$ 3,641,623

H. Legal Debt Margin

At June 30, 2005, the general obligation bond debt issued by the District did not exceed its legal debt margin as shown by the computation that follows:

Assessed valuation	\$258,728,319
Debt limit - 10% of total assessed valuation	\$325,872,832
General obligation bonded debt outstanding	\$ 6,255,000
Unused legal debt capacity	\$319,617,832

I. State Foundation Program Payable

Wyoming State Statutes provide for a determination of amounts to be included in the Foundation Program for each School District. If a District has resources which exceed the Foundation's funding formula, then the District must pay the excess amounts to the State Foundation Program for redistribution to other Districts.

Because of this funding formula, Campbell County School District No. 1 must pay \$1,947,500 of amounts received during the year ended June 30, 2005 to the Foundation Program during the ensuing year.

J. Early Retirement Agency Fund

During the current year and in prior years the District has provided various plans to provide severance to employees who retired early for their years of service to the District. The amount of the severance was based upon current compensation, length of service, and age of employee. Sixty-seven individuals are receiving severance payments under these plans as of June 30, 2005.

The early retirement severance amount is recorded as an expenditure when the related fund liability is incurred. Annual amounts required to retire the early retirement payable at June 30, 2005 are presented below at their present value assuming 3.94% interest:

Years Ending June 30,	
2006	\$ 488,711
2007	386,115
2008	357,927
2009	277,381
2010	166,175
2011-2013	90,733
Total payments	\$ 1,767,042
Less interest portion	115,695
Present value of future payments	\$ 1,651,347

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchased commercial insurance for claims and risks of loss. The coverages for significant items and the related deductible are as follows:

Type of Claim	Amount of Coverage	Deductible
Commercial General Liability		
Occurrence	\$ 2,000,000	\$ -
Personal and advertising injury	\$ 2,000,000	\$ -
Products-completed operations aggregate	\$ 2,000,000	\$ -
Miscellaneous medical professional liability	\$ 2,000,000	\$ -
School board legal liability	\$ 2,000,000	\$ 2,500
Auto Liability		
Each accident	\$ 2,000,000	\$ 500
Uninsured motorist	\$ 2,000,000	\$ -
Under-insured motorist	\$ 2,000,000	\$ -
Property		
Building and contents	\$ 211,434,800	\$ 5,000
Business income without extra expense	\$ 1,000,000	\$ -
Extra expense (per occurrence)	\$ 250,000	\$ -
Earthquake	\$ 15,000,000	\$ 100,000
Flood/backup water	\$ 15,000,000	\$ 100,000
Supplemental Coverages		
Electronic data processing equipment, data and media	\$ 5,000,000	\$ -
Valuable papers	\$ 1,000,000	\$ -
Builders' risk	\$ 1,000,000	\$ -
Contractors' equipment (per item)	\$ 797,994	\$ -
Vehicle damage	\$ 5,000,000	\$ -
Boiler and Machinery		
Total breakdown limit	\$ 50,000,000	\$ 1,000
Ordinance or law, demolition	\$ 1,000,000	\$ -
Hazardous substance	\$ 2,000,000	\$ -
WHSAA Athletics Catastrophic Accidental Death/Dismemberment		
Accident medical expense	\$ 2,000,000	\$ -

Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

The District has elected to provide employee medical, dental, and life insurance benefits through a self-insured program. The District uses its general fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$500 deductible for single, \$1,000 for employee plus spouse, and \$1,500 per family and employee plus minor children. The dental plan has no deductible for preventative and diagnostic services, \$45 deductible for single and \$90 per family for basic and major services. Basic is covered at 85%, and major at 50%. For term life insurance the District covers one times an employee's annual salary, minimum at \$10,000 and maximum at \$50,000. For accidental death and dismemberment insurance the District covers an employee for \$50,000. A third party administrator reviews all claims which the District then pays. The District purchases stop-loss coverage for medical for \$125,000 per covered individual.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 5. Other Information (Continued)

The liability for unpaid claims cost of \$989,500 as estimated by the third party administrator based upon claims filed subsequent to year end and historical experience, which is reported in the financial statements at June 30, 2005, is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims, including incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount are:

	Balance at Beginning of Year	Current Year Claims	Claim Payments	Balance at End of Year
June 30, 2004 to June 30, 2005	\$ 713,000	\$ 6,354,514	\$ 6,078,014	\$ 989,500
June 30, 2003 to June 30, 2004	\$ 913,440	\$ 5,834,452	\$ 6,034,892	\$ 713,000

The District contributes to the Wyoming Worker's Compensation Insurance program. Employees covered by this program are those working in jobs defined by the State as extra-hazardous occupations. Employees covered by Wyoming Workers' Compensation Insurance include: bus drivers, mechanics, safety patrol, chemistry laboratory instructors, home economics instructors, printing department personnel, warehouse personnel, electronics technicians and special programs teacher assistants. This list may be changed as required by State Statutes. All Work Investment Act student employees are covered by Wyoming Workers' Safety and Compensation regardless of job assignment. All other employees of the District are not covered by any form of on-the-job injury insurance.

B. Retirement Commitments

The District's full-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, Herschler Building, Cheyenne, Wyoming 82002 or by calling (307) 777-7691.

The System statutorily requires 11.25% of the covered employee's salary to be contributed to the plan. The District has elected to fund both the employer's and employee's share of the required contribution into the plan for its employees. The District's contributions to the System for the years ended June 30, 2005, 2004 and 2003 were \$4,837,000, \$4,630,000 and \$4,525,000 respectively, which was equal to the required contribution for the years then ended.

C. Tax Revenues

Approximately 86% of tax revenue for the year ended June 30, 2005 represents production tax based on the value of minerals extracted which may vary from year to year.

D. Contingencies

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes.

"K" Fund - This fund is designated to account for programs such as child care services, summer camps, engraving services, technology rentals, etc. This fund also receives transfers from the Campbell County Community Public Recreation District (CCCPRD) to promote public recreation activities throughout the District.

Major Maintenance - This fund was established by the District in accordance with Wyoming Statutes. This fund accounts for the revenues and expenditures for capital maintenance allocations determined by the Wyoming Department of Education. This fund is being funded by the State.

Building (B) - This fund accounts for the monies received by various schools for building rental, fines and fees, lost books, and pop machines. Each school has control of these monies to spend on items needed such as lost books or other items.

Technology - This fund is designated to keep computer equipment and computer instruction materials current.

Sick Leave - This fund is used to account for the monies set aside to fund the District's sick leave obligations.

Campbell County Community Public Recreation District (CCCPRD) - This fund provides funding to the Campbell County community for recreation projects, which may include facilities, construction, programs and equipment.

Carl Perkins - This fund accounts for federal revenues used to develop the technical, vocational, and academic skills of secondary and post-secondary students.

Title I - This fund accounts for federal revenues used to assist the District in meeting the special needs of educationally deprived children who reside in areas with high concentrations of children from low-income families.

Title I Neglected and Delinquent - This fund accounts for federal revenues used to provide drop-out prevention, coordination of health and social services, and programs to meet the unique educational needs of youth at educational risk, including pregnant and parenting teens, youth who have come in contact with the juvenile justice system, youth at least one year behind their expected grade level, migrant youth, students with limited English proficiency, and gang members.

Title I Even Start - This fund accounts for federal revenues used to provide intensive family literacy services to help break the cycle of poverty and illiteracy by improving the educational opportunities of low-income families by integrating early childhood education, adult literacy or basic education, and parenting education into a unified family literacy program.

Title V - This fund accounts for federal revenues used to support implementation of programs such as computer education, gifted and talented programs, in-service and staff development.

Drug Free Schools - This fund accounts for federal revenues used to support the implementation of drug abuse education and prevention programs.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS (Continued)

Work Investment Act - This fund accounts for federal revenues used to help Americans access the tools they need to manage their careers through information and high quality services to help U.S. companies find skilled workers.

Title II - This fund accounts for federal revenues used to support sustained and intensive high-quality professional development for educators in the core academic subjects.

Part B - This fund accounts for federal revenues used to assist schools in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary, and secondary levels.

Title III - This fund accounts for federal revenues used to ensure that Limited English Proficient (LEP) students, including immigrant children, develop English proficiency and meet the same academic content and achievement standards as other students are expected to meet.

McKinney Homeless - This fund accounts for federal revenues used to provide the homeless children and youth with an appropriate education and the supplies and other physical needs required to attain the education and to raise the awareness of professional educators to better identify the homeless children and youth and to understand their special needs.

21st Century SIG - This fund accounts for federal revenues used to develop and implement comprehensive local alcohol, tobacco and other drug prevention plans that will result in the reduction of risk factors, enhancement of protective factors and the reduction of alcohol, tobacco and other drug use.

Nonmajor Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Following is a description of the nonmajor capital projects fund:

Depreciation Reserve Fund - This fund was established in accordance with Wyoming Statutes. The statutes allow the District to establish reserves for the purpose of purchasing or replacing specified equipment or a depreciation reserve for equipment and school building repair. This fund is being funded by transfers from the General Fund.

Major Capital Projects Fund - This fund was established in accordance with Wyoming Statutes. It was created for the purpose of building new schools and major capital renovations and projects as determined by the Wyoming School Facilities Commission. This fund is being funded by the State of Wyoming.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2005

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
ASSETS			
Cash	\$ 492,923	\$ -	\$ 492,923
Temporary Investments	6,439,404	225,156	6,664,560
Taxes Receivable (net of allowance for uncollectibles)	44,061	-	44,061
Interest Receivable	915	72	987
Other Accounts Receivable	953	-	953
Due From Other Funds	596,138	587	596,725
Due From Other Governments	390,542	132,756	523,298
Inventories	681	-	681
Total Assets	\$ 7,965,617	\$ 358,571	\$ 8,324,188
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 33,545	\$ -	\$ 33,545
Contracts and Retainage Payable	20,014	9,154	29,168
Due To Other Funds	391,376	123,602	514,978
Deferred Revenue	21,248	-	21,248
Sick Leave Payable	39,135	-	39,135
Total Liabilities	\$ 505,318	\$ 132,756	\$ 638,074
FUND BALANCES			
Fund Balances			
Reserved for Encumbrances	\$ 266,824	\$ -	\$ 266,824
Reserved for Capital Projects	-	225,815	225,815
Unreserved, Undesignated	7,193,475	-	7,193,475
Total Fund Balances	\$ 7,460,299	\$ 225,815	\$ 7,686,114
Total Liabilities and Fund Balances	\$ 7,965,617	\$ 358,571	\$ 8,324,188

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Year Ended June 30, 2005

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
REVENUES			
Local Sources:			
Taxes	\$ 3,349,501	\$ -	\$ 3,349,501
Interest	49,232	6,692	55,924
Tuition and Fees	364,873	-	364,873
Rentals	22,289	-	22,289
Charges for Services	384,811	-	384,811
Contributions and Donations	168,394	-	168,394
Miscellaneous	320,220	-	320,220
Total Local Sources	\$ 4,659,320	\$ 6,692	\$ 4,666,012
County Sources:			
Taxes	\$ 2,831	\$ -	\$ 2,831
State Sources:			
Intergovernmental	\$ 5,625,820	\$ 224,037	\$ 5,849,857
Federal Sources:			
Intergovernmental	\$ 4,273,888	\$ -	\$ 4,273,888
Total Revenues	\$ 14,561,859	\$ 230,729	\$ 14,792,588
EXPENDITURES			
Current:			
Instruction:			
Regular	\$ 2,013,646	\$ -	\$ 2,013,646
Special Education	1,993,510	-	1,993,510
Vocational	290,112	-	290,112
Adult/Continuing	5,432	-	5,432
Support Services:			
Pupil	454,019	-	454,019
Instructional Staff	1,003,347	-	1,003,347
General Administration	22,407	-	22,407
School Administration	98,997	-	98,997
Business	101,802	-	101,802
Operation and Maintenance of Plant	786,229	-	786,229
Central	195,331	-	195,331
Other Support	154,539	-	154,539
Operation of Non-Instructional Services:			
Community Services	1,144,061	-	1,144,061
Capital Outlay	1,945,447	367,479	2,312,926
Total Expenditures	\$ 10,208,879	\$ 367,479	\$ 10,576,358
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 4,352,980	\$ (136,750)	\$ 4,216,230
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 1,517,576	\$ -	\$ 1,517,576
Transfers (Out)	(1,207,576)	(150,000)	(1,357,576)
Total Other Financing Sources (Uses)	\$ 310,000	\$ (150,000)	\$ 160,000
Net Change in Fund Balances	\$ 4,662,980	\$ (286,750)	\$ 4,376,230
FUND BALANCES, BEGINNING JULY 1	2,797,319	512,565	3,309,884
FUND BALANCES, ENDING JUNE 30	\$ 7,460,299	\$ 225,815	\$ 7,686,114

SPECIAL REVENUE FUNDS

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2005

(Page 1 of 2)

	"K" Fund	Major Maintenance	Building (B)	Technology
ASSETS				
Cash	\$ -	\$ 103,855	\$ 380,232	\$ -
Temporary Investments	-	3,519,546	-	224,106
Taxes Receivable (net of allowance for uncollectibles)	-	-	-	-
Interest Receivable	-	-	-	49
Other Accounts Receivable	178	-	-	-
Due From Other Funds	473,228	-	-	-
Due From Other Governments	-	-	-	-
Inventories	-	-	-	681
Total Assets	\$ 473,406	\$ 3,623,401	\$ 380,232	\$ 224,836
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 30,000	\$ 3,545	\$ -	\$ -
Contracts and Retainage Payable	-	20,014	-	-
Due To Other Funds	-	-	-	59
Deferred Revenue	-	-	-	-
Sick Leave Payable	-	-	-	-
Total Liabilities	\$ 30,000	\$ 23,559	\$ -	\$ 59
FUND BALANCES				
Reserved for Encumbrances	\$ 6,360	\$ 260,464	\$ -	\$ -
Unreserved, Undesignated	437,046	3,339,378	380,232	224,777
Total Fund Balances	\$ 443,406	\$ 3,599,842	\$ 380,232	\$ 224,777
Total Liabilities and Fund Balances	\$ 473,406	\$ 3,623,401	\$ 380,232	\$ 224,836

Sick Leave	CCCPRD	Carl Perkins	Title I	Title I Neglected & Delinquent	Title I - Even Start	Title V	Drug Free Schools	Work Investment Act
\$ -	\$ 8,836	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
323,136	2,372,616	-	-	-	-	-	-	-
-	44,061	-	-	-	-	-	-	-
104	762	-	-	-	-	-	-	-
-	-	9	-	-	720	46	-	-
672	122,238	-	-	-	-	-	-	-
-	-	14,250	82,625	30,441	13,390	5,997	5,887	-
-	-	-	-	-	-	-	-	-
\$ 323,912	\$ 2,548,513	\$ 14,259	\$ 82,625	\$ 30,441	\$ 14,110	\$ 6,043	\$ 5,887	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	14,259	82,625	30,441	14,110	6,043	5,887	-
-	21,248	-	-	-	-	-	-	-
39,135	-	-	-	-	-	-	-	-
\$ 39,135	\$ 21,248	\$ 14,259	\$ 82,625	\$ 30,441	\$ 14,110	\$ 6,043	\$ 5,887	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
284,777	2,527,265	-	-	-	-	-	-	-
\$ 284,777	\$ 2,527,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 323,912	\$ 2,548,513	\$ 14,259	\$ 82,625	\$ 30,441	\$ 14,110	\$ 6,043	\$ 5,887	\$ -

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2005

(Page 2 of 2)

	Title II	Part B	Title III
ASSETS			
Cash	\$ -	\$ -	\$ -
Temporary Investments	-	-	-
Taxes Receivable (net of allowance for uncollectibles)	-	-	-
Interest Receivable	-	-	-
Other Accounts Receivable	-	-	-
Due From Other Funds	-	-	-
Due From Other Governments	45,899	159,209	2,080
Inventories	-	-	-
Total Assets	\$ 45,899	\$ 159,209	\$ 2,080
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Contracts and Retainage Payable	-	-	-
Due To Other Funds	45,899	159,209	2,080
Deferred Revenue	-	-	-
Sick Leave Payable	-	-	-
Total Liabilities	\$ 45,899	\$ 159,209	\$ 2,080
FUND BALANCES			
Reserved for Encumbrances	\$ -	\$ -	\$ -
Unreserved, Undesignated	-	-	-
Total Fund Balances	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ 45,899	\$ 159,209	\$ 2,080

McKinney Homeless	21 st Century SIG	Totals
\$ -	\$ -	\$ 492,923
-	-	6,439,404
-	-	44,061
-	-	915
-	-	953
-	-	596,138
-	30,764	390,542
-	-	681
<hr/>		
\$ -	\$ 30,764	\$ 7,965,617
<hr/>		
\$ -	\$ -	\$ 33,545
-	-	20,014
-	30,764	391,376
-	-	21,248
-	-	39,135
<hr/>		
\$ -	\$ 30,764	\$ 505,318
<hr/>		
\$ -	\$ -	\$ 266,824
-	-	7,193,475
<hr/>		
\$ -	\$ -	\$ 7,460,299
<hr/>		
\$ -	\$ 30,764	\$ 7,965,617

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended June 30, 2005

(Page 1 of 3)

	"K" Fund			Major Maintenance			Building (B)		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Local Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	512	1,331	819	5,000	5,694	694	-	6,001	6,001
Tuition and Fees	164,136	166,999	2,863	-	-	-	297,500	197,874	(99,626)
Rentals	-	-	-	-	-	-	24,825	22,289	(2,536)
Charges for Services	16,000	24,504	8,504	-	-	-	1,019,246	360,307	(658,939)
Contributions and Donations	368,990	115,058	(253,932)	12,500	-	(12,500)	55,750	28,336	(27,414)
Miscellaneous	-	-	-	-	-	-	-	220	220
Total Local Sources	\$ 549,638	\$ 307,892	\$ (241,746)	\$ 17,500	\$ 5,694	\$ (11,806)	\$ 1,397,321	\$ 615,027	\$ (782,294)
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Intergovernmental	\$ 45,000	\$ 836	\$ (44,164)	\$ 2,610,000	\$ 5,624,984	\$ 3,014,984	\$ -	\$ -	\$ -
Federal Sources:									
Intergovernmental	\$ -	\$ 7,377	\$ 7,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 594,638	\$ 316,105	\$ (278,533)	\$ 2,627,500	\$ 5,630,678	\$ 3,003,178	\$ 1,397,321	\$ 615,027	\$ (782,294)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 787,831	\$ 32,682	\$ 755,149	\$ -	\$ -	\$ -	\$ 638,126	\$ 170,841	\$ 467,285
Special Education	1,071,985	790,181	281,804	-	-	-	137,879	21,012	116,867
Vocational Education	64,561	29,809	34,752	-	-	-	266,075	110,364	155,711
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	116,752	114,392	2,360	-	-	-	340,706	148,650	192,056
Instructional Staff	23,386	12,017	11,369	-	-	-	26,934	14,763	12,171
General Administration	-	-	-	-	-	-	7,027	2,665	4,362
School Administration	-	-	-	-	-	-	279,831	98,997	180,834
Business	134,313	93,875	40,438	-	-	-	5,650	1,956	3,694
Operation and Maintenance of Plant	150,419	67,243	83,176	1,179,765	705,280	474,485	34,149	10,200	23,949
Central	-	-	-	230,731	142,059	88,672	8,011	8,000	11
Other Support	-	-	-	-	-	-	-	-	-
Operation of Non-Instructional Services:									
Community Services	257,529	198,530	58,999	-	-	-	5,612	26	5,586
Capital Outlay	-	-	-	2,286,340	1,945,447	340,893	-	-	-
Total Expenditures	\$ 2,606,776	\$ 1,338,729	\$ 1,268,047	\$ 3,696,836	\$ 2,792,786	\$ 904,050	\$ 1,750,000	\$ 587,474	\$ 1,162,526
Excess (deficiency) of revenues over (under) expenditures	\$(2,012,138)	\$(1,022,624)	\$ 989,514	\$(1,069,336)	\$ 2,837,892	\$ 3,907,228	\$(352,679)	\$ 27,553	\$ 380,232
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 1,631,444	\$ 1,207,576	\$ (423,868)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ 1,631,444	\$ 1,207,576	\$ (423,868)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ (380,694)	\$ 184,952	\$ 565,646	\$(1,069,336)	\$ 2,837,892	\$ 3,907,228	\$(352,679)	\$ 27,553	\$ 380,232
FUND BALANCES,									
BEGINNING JULY 1	258,454	258,454	-	761,950	761,950	-	352,679	352,679	-
FUND BALANCES,									
ENDING JUNE 30	\$ (122,240)	\$ 443,406	\$ 565,646	\$(307,386)	\$ 3,599,842	\$ 3,907,228	\$ -	\$ 380,232	\$ 380,232

Technology			Sick Leave			CCCPRD			Carl Perkins		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,932,855	\$ 3,349,501	\$ 416,646	\$ -	\$ -	\$ -
2,500	3,114	614	3,000	6,088	3,088	4,000	27,004	23,004	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
25,000	25,000	-	-	-	-	-	-	-	-	-	-
320,000	320,000	-	-	-	-	-	-	-	-	-	-
\$ 347,500	\$ 348,114	\$ 614	\$ 3,000	\$ 6,088	\$ 3,088	\$ 2,936,855	\$ 3,376,505	\$ 439,650	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,831	\$ 2,831	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 204,607	\$ 135,354	\$ (69,253)
\$ 347,500	\$ 348,114	\$ 614	\$ 3,000	\$ 6,088	\$ 3,088	\$ 2,936,855	\$ 3,379,336	\$ 442,481	\$ 204,607	\$ 135,354	\$ (69,253)
\$ 650,117	\$ 435,439	\$ 214,678	\$ 97,494	\$ 22,359	\$ 75,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
42,126	36,843	5,283	-	-	-	-	-	-	154,348	113,096	41,252
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	10,246	8,650	1,596	-	-	-	-	-	-
157,507	155,681	1,826	-	-	-	-	-	-	44,141	18,339	25,802
-	-	-	14,260	14,260	-	7,000	4,481	2,519	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
3,506	3,506	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	6,118	3,919	2,199
12,400	12,398	2	3,000	-	3,000	1,381,693	529,762	851,931	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ 865,656	\$ 643,867	\$ 221,789	\$ 125,000	\$ 45,269	\$ 79,731	\$ 1,388,693	\$ 534,243	\$ 854,450	\$ 204,607	\$ 135,354	\$ 69,253
\$ (518,156)	\$ (295,753)	\$ 222,403	\$ (122,000)	\$ (39,181)	\$ 82,819	\$ 1,548,162	\$ 2,845,093	\$ 1,296,931	\$ -	\$ -	\$ -
\$ 310,000	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	(2,311,075)	(1,207,576)	1,103,499	-	-	-
\$ 310,000	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ (2,311,075)	\$ (1,207,576)	\$ 1,103,499	\$ -	\$ -	\$ -
\$ (208,156)	\$ 14,247	\$ 222,403	\$ (122,000)	\$ (39,181)	\$ 82,819	\$ (762,913)	\$ 1,637,517	\$ 2,400,430	\$ -	\$ -	\$ -
210,530	210,530	-	323,958	323,958	-	889,748	889,748	-	-	-	-
\$ 2,374	\$ 224,777	\$ 222,403	\$ 201,958	\$ 284,777	\$ 82,819	\$ 126,835	\$ 2,527,265	\$ 2,400,430	\$ -	\$ -	\$ -

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS**

Year Ended June 30, 2005

(Page 2 of 3)

	Title I			Title I - Neglected & Delinquent			Title I - Even Start		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Local Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-
Tuition and Fees	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources:									
Intergovernmental	\$ 1,355,351	\$ 1,133,586	\$ (221,765)	\$ 124,145	\$ 102,095	\$ (22,050)	\$ 137,884	\$ 123,684	\$ (14,200)
Total Revenues	\$ 1,355,351	\$ 1,133,586	\$ (221,765)	\$ 124,145	\$ 102,095	\$ (22,050)	\$ 137,884	\$ 123,684	\$ (14,200)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 1,052,928	\$ 897,642	\$ 155,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	11,045	11,045	-	119,479	98,307	21,172	11,088	4,591	6,497
Vocational Education	-	-	-	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	-	-	-	-	-	-	19,401	15,896	3,505
Instructional Staff	104,066	76,906	27,160	979	821	158	3,345	3,345	-
General Administration	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business	6,591	5,971	620	-	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-	-	-	-
Central	5,485	5,485	-	-	-	-	-	-	-
Other Support	40,375	35,293	5,082	3,687	2,967	720	26,963	26,718	245
Operation of Non-Instructional Services:									
Community Services	134,861	101,244	33,617	-	-	-	77,087	73,134	3,953
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,355,351	\$ 1,133,586	\$ 221,765	\$ 124,145	\$ 102,095	\$ 22,050	\$ 137,884	\$ 123,684	\$ 14,200
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES, BEGINNING JULY 1									
	-	-	-	-	-	-	-	-	-
FUND BALANCES, ENDING JUNE 30									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Title V			Drug Free Schools			Work Investment Act			Title II		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 108,552	\$ 77,688	\$ (30,864)	\$ 117,228	\$ 80,090	\$ (37,138)	\$ 5,627	\$ 5,432	\$ (195)	\$ 1,100,473	\$ 921,429	\$ (179,044)
\$ 108,552	\$ 77,688	\$ (30,864)	\$ 117,228	\$ 80,090	\$ (37,138)	\$ 5,627	\$ 5,432	\$ (195)	\$ 1,100,473	\$ 921,429	\$ (179,044)
\$ 10,731	\$ 9,889	\$ 842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 507,576	\$ 444,794	\$ 62,782
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,627	5,432	195	-	-	-
-	-	-	110,195	77,554	32,641	-	-	-	-	-	-
95,114	66,078	29,036	4,396	666	3,730	-	-	-	488,612	374,554	114,058
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	2,500	1,969	531
2,707	1,721	986	2,637	1,870	767	-	-	-	21,785	20,112	1,673
-	-	-	-	-	-	-	-	-	80,000	80,000	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ 108,552	\$ 77,688	\$ 30,864	\$ 117,228	\$ 80,090	\$ 37,138	\$ 5,627	\$ 5,432	\$ 195	\$ 1,100,473	\$ 921,429	\$ 179,044
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 NONMAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2005

(Page 3 of 3)

	Part B			Title III			McKinney Homeless		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Local Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-
Tuition and Fees	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources:									
Intergovernmental	\$1,863,431	\$1,317,564	\$ (545,867)	\$ 61,286	\$ 43,042	\$ (18,244)	\$ 10,159	\$ 6,974	\$ (3,185)
Total Revenues	\$1,863,431	\$1,317,564	\$ (545,867)	\$ 61,286	\$ 43,042	\$ (18,244)	\$ 10,159	\$ 6,974	\$ (3,185)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	1,167,463	877,541	289,922	55,943	41,597	14,346	4	4	-
Vocational Education	-	-	-	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	155,409	88,877	66,532	-	-	-	-	-	-
Instructional Staff	444,003	279,632	164,371	4,105	545	3,560	-	-	-
General Administration	1,521	1,001	520	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-	-	-	-
Central	47,099	37,818	9,281	-	-	-	-	-	-
Other Support	42,522	28,097	14,425	1,238	900	338	295	203	92
Operation of Non-Instructional Services:									
Community Services	5,414	4,598	816	-	-	-	9,860	6,767	3,093
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$1,863,431	\$1,317,564	\$ 545,867	\$ 61,286	\$ 43,042	\$ 18,244	\$ 10,159	\$ 6,974	\$ 3,185
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES, BEGINNING JULY 1	-	-	-	-	-	-	-	-	-
FUND BALANCES, ENDING JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

21 st Century SIG			Totals		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 2,932,855	\$ 3,349,501	\$ 416,646
-	-	-	15,012	49,232	34,220
-	-	-	461,636	364,873	(96,763)
-	-	-	24,825	22,289	(2,536)
-	-	-	1,035,246	384,811	(650,435)
-	-	-	462,240	168,394	(293,846)
-	-	-	320,000	320,220	220
\$ -	\$ -	\$ -	\$ 5,251,814	\$ 4,659,320	\$ (592,494)
\$ -	\$ -	\$ -	\$ -	\$ 2,831	\$ 2,831
\$ -	\$ -	\$ -	\$ 2,655,000	\$ 5,625,820	\$ 2,970,820
\$ 618,642	\$ 319,573	\$ (299,069)	\$ 5,707,385	\$ 4,273,888	\$ (1,433,497)
\$ 618,642	\$ 319,573	\$ (299,069)	\$ 13,614,199	\$ 14,561,859	\$ 947,660
\$ -	\$ -	\$ -	\$ 3,744,803	\$ 2,013,646	\$ 1,731,157
188,074	149,232	38,842	2,762,960	1,993,510	769,450
-	-	-	527,110	290,112	236,998
-	-	-	5,627	5,432	195
-	-	-	752,709	454,019	298,690
-	-	-	1,396,588	1,003,347	393,241
-	-	-	29,808	22,407	7,401
-	-	-	279,831	98,997	180,834
-	-	-	146,554	101,802	44,752
-	-	-	1,367,839	786,229	581,610
-	-	-	293,826	195,331	98,495
41,416	32,739	8,677	189,743	154,539	35,204
389,152	137,602	251,550	2,356,608	1,144,061	1,212,547
-	-	-	2,286,340	1,945,447	340,893
\$ 618,642	\$ 319,573	\$ 299,069	\$ 16,140,346	\$ 10,208,879	\$ 5,931,467
\$ -	\$ -	\$ -	\$ (2,526,147)	\$ 4,352,980	\$ 6,879,127
\$ -	\$ -	\$ -	\$ 1,941,444	\$ 1,517,576	\$ (423,868)
-	-	-	(2,311,075)	(1,207,576)	1,103,499
\$ -	\$ -	\$ -	\$ (369,631)	\$ 310,000	\$ 679,631
\$ -	\$ -	\$ -	\$ (2,895,778)	\$ 4,662,980	\$ 7,558,758
-	-	-	2,797,319	2,797,319	-
\$ -	\$ -	\$ -	\$ (98,459)	\$ 7,460,299	\$ 7,558,758

DEBT SERVICE FUND

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 MAJOR DEBT SERVICE FUND
 Year Ended June 30, 2005

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Taxes	\$ -	\$ 142,874	\$ 142,874
Federal Sources			
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ -
Total Revenues	\$ 1,500,000	\$ 1,642,874	\$ 142,874
EXPENDITURES			
Debt Service			
Interest	\$ 499,060	\$ 499,060	\$ -
Principal	2,725,000	2,725,000	-
Total Expenditures	\$ 3,224,060	\$ 3,224,060	\$ -
Net change in fund balance	\$ (1,724,060)	\$ (1,581,186)	\$ 142,874
FUND BALANCE, BEGINNING JULY 1	5,370,375	5,370,375	-
FUND BALANCE, ENDING JUNE 30	\$ 3,646,315	\$ 3,789,189	\$ 142,874

CAPITAL PROJECTS FUNDS

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 June 30, 2005

	Depreciation Reserve	Major Capital Projects	Totals
ASSETS			
Temporary Investments	\$ 225,156	\$ -	\$ 225,156
Interest Receivable	72	-	72
Due From Other Funds	587	-	587
Due From Other Governments	-	132,756	132,756
Total Assets	\$ 225,815	\$ 132,756	\$ 358,571
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Contracts and Retainage Payable	\$ -	\$ 9,154	\$ 9,154
Due To Other Funds	-	123,602	123,602
Total Liabilities	\$ -	\$ 132,756	\$ 132,756
FUND BALANCES			
Reserved for Capital Projects	\$ 225,815	\$ -	\$ 225,815
Total Liabilities and Fund Balances	\$ 225,815	\$ 132,756	\$ 358,571

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 NONMAJOR CAPITAL PROJECTS FUNDS
 Year Ended June 30, 2005

	Depreciation Reserve			Major Capital Projects			Totals		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Local Sources:									
Interest	\$ 4,500	\$ 6,692	\$ 2,192	\$ -	\$ -	\$ -	\$ 4,500	\$ 6,692	\$ 2,192
State Sources:									
Intergovernmental	\$ -	\$ -	\$ -	\$ 325,403	\$ 224,037	\$ (101,366)	\$ 325,403	\$ 224,037	\$ (101,366)
Total Revenues	\$ 4,500	\$ 6,692	\$ 2,192	\$ 325,403	\$ 224,037	\$ (101,366)	\$ 329,903	\$ 230,729	\$ (99,174)
EXPENDITURES									
Capital Outlay	\$ 194,180	\$ 143,442	\$ 50,738	\$ 325,403	\$ 224,037	\$ 101,366	\$ 519,583	\$ 367,479	\$ 152,104
Excess (deficiency) of revenues over (under) expenditures	\$ (189,680)	\$ (136,750)	\$ 52,930	\$ -	\$ -	\$ -	\$ (189,680)	\$ (136,750)	\$ 52,930
OTHER FINANCING (USES)									
Transfers (Out)	\$ (150,000)	\$ (150,000)	\$ -	\$ -	\$ -	\$ -	\$ (150,000)	\$ (150,000)	\$ -
Net Change in Fund Balances	\$ (339,680)	\$ (286,750)	\$ 52,930	\$ -	\$ -	\$ -	\$ (339,680)	\$ (286,750)	\$ 52,930
FUND BALANCES, BEGINNING JULY 1	512,565	512,565	-	-	-	-	512,565	512,565	-
FUND BALANCES, ENDING JUNE 30	\$ 172,885	\$ 225,815	\$ 52,930	\$ -	\$ -	\$ -	\$ 172,885	\$ 225,815	\$ 52,930

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 MAJOR CAPITAL PROJECTS FUND - CAPITAL CONSTRUCTION FUND
 Year Ended June 30, 2005

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Taxes	\$ -	\$ 355	\$ 355
Interest	17,500	75,004	57,504
Total Local Sources	\$ 17,500	\$ 75,359	\$ 57,859
EXPENDITURES			
Capital Outlay	\$ 1,600,403	\$ 516,270	\$ 1,084,133
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,582,903)	\$ (440,911)	\$ 1,141,992
OTHER FINANCING SOURCES			
Transfers In	\$ -	\$ 1,135,403	\$ 1,135,403
Net Change in Fund Balance	\$ (1,582,903)	\$ 694,492	\$ 2,277,395
FUND BALANCE, BEGINNING JULY 1	3,398,985	3,398,985	-
FUND BALANCE, ENDING JUNE 30	\$ 1,816,082	\$ 4,093,477	\$ 2,277,395

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE**

June 30, 2005

Governmental Funds Capital Assets:		
Land	\$	3,293,261
Buildings and building improvements		120,429,902
Improvements other than buildings		13,256,037
Equipment and vehicles		13,559,864
Construction in progress		148,744
<hr/>		
Total Governmental Funds Capital Assets	\$	150,687,808
<hr/>		
Investments in Governmental Funds Capital Assets By Source:		
General Fund	\$	149,911,993
Special Revenue Fund		775,815
<hr/>		
Total Governmental Funds Capital Assets	\$	150,687,808
<hr/>		

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2005

Fund and Activity	Land	Buildings and Building Improvements	Improvements Other Than Buildings	Equipment and Vehicles	Construction In Progress	Total
Instruction:						
Regular	\$ 3,230,711	\$ 118,408,526	\$ 12,945,044	\$ 12,990,959	\$ 148,744	\$ 147,723,984
Support Services:						
General Administration	62,550	2,021,376	310,993	568,905	-	2,963,824
Total Governmental Funds Capital Assets	\$ 3,293,261	\$ 120,429,902	\$ 13,256,037	\$ 13,559,864	\$ 148,744	\$ 150,687,808

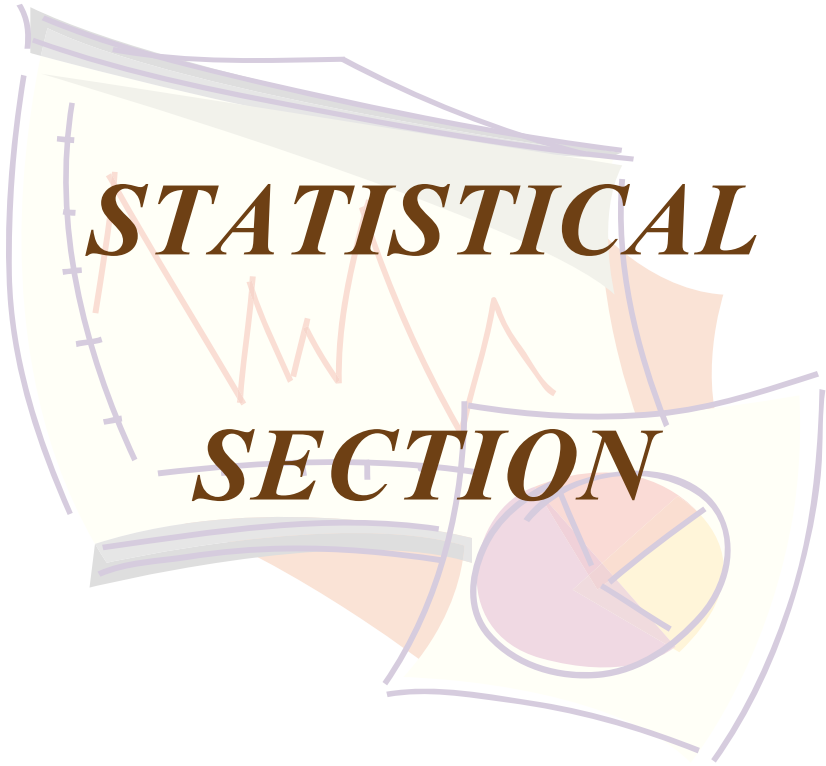
CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

Year Ended **June 30, 2005**

Function and Activity	Governmental Funds Capital Assets June 30, 2004	Additions	Deductions	Governmental Funds Capital Assets June 30, 2005
Instruction:				
Regular	\$ 147,054,181	\$ 5,441,337	\$ (4,771,534)	\$ 147,723,984
Support Services:				
General Administration	2,963,824	-	-	2,963,824
Total Governmental Funds Capital Assets	\$ 150,018,005	\$ 5,441,337	\$ (4,771,534)	\$ 150,687,808

THIS PAGE LEFT INTENTIONALLY BLANK



GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 1

	Fiscal		Fiscal		Fiscal		Fiscal		Fiscal	
	Year		Year		Year		Year		Year	
	1996		1997		1998		1999		2000	
	(1)		(1)		(1)		(1)		(1)	
Current:										
Instruction:										
Regular	\$	N/A	\$	N/A	\$	N/A	\$	N/A	\$	N/A
Special Education		N/A		N/A		N/A		N/A		N/A
Vocational		N/A		N/A		N/A		N/A		N/A
Adult/Continuing		N/A		N/A		N/A		N/A		N/A
Support Services:										
Pupil		N/A		N/A		N/A		N/A		N/A
Instructional Staff		N/A		N/A		N/A		N/A		N/A
General Administrative		N/A		N/A		N/A		N/A		N/A
School Administrative		N/A		N/A		N/A		N/A		N/A
Business		N/A		N/A		N/A		N/A		N/A
Operation & Maintenance of Plant		N/A		N/A		N/A		N/A		N/A
Pupil Transportation		N/A		N/A		N/A		N/A		N/A
Central		N/A		N/A		N/A		N/A		N/A
Other Support		N/A		N/A		N/A		N/A		N/A
Operation of Non-Instructional Service:										
Community Services		N/A		N/A		N/A		N/A		N/A
Debt Service										
Interest on Long Term Debt		N/A		N/A		N/A		N/A		N/A
Business-type Activities										
Food Service		N/A		N/A		N/A		N/A		N/A
Total		N/A		N/A		N/A		N/A		N/A

(1) N/A - Not Available. With the GASB 34 reporting changes the State of Wyoming's Department of Education reclassified function groupings and expanded certain categories. Restating past years financials into the States' new GASB 34 groupings was found to be overwhelming and extremely difficult. Because of this, the decision was made to opt out of restating previous non-GASB 34 years.

	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
\$	N/A	\$ 28,702,212	\$ 29,154,219	\$ 29,368,871	\$ 30,741,958
	N/A	6,466,155	7,414,687	8,146,927	8,708,248
	N/A	2,758,374	2,980,581	2,776,551	2,513,167
	N/A	38,401	13,707	16,225	5,432
	N/A	5,805,741	5,947,269	5,800,356	6,441,467
	N/A	3,750,395	3,844,291	4,103,466	4,182,377
	N/A	751,362	803,334	880,087	928,907
	N/A	3,562,051	3,821,482	3,864,100	3,958,637
	N/A	1,111,874	1,256,913	1,560,806	1,531,627
	N/A	6,826,883	7,133,378	7,693,871	8,052,935
	N/A	3,645,568	3,562,678	3,698,771	3,844,481
	N/A	5,220,531	5,409,516	3,710,442	4,137,175
	N/A	143,375	162,706	155,440	267,673
	N/A	557,877	807,865	1,014,168	1,172,495
	N/A	1,009,194	897,798	768,418	606,617
	N/A	2,154,305	2,154,632	2,265,220	2,462,803
	N/A	72,504,298	75,365,056	75,823,719	79,555,999

GOVERNMENT-WIDE REVENUES

LAST TEN FISCAL YEARS

(Unaudited)

TABLE 2

	Fiscal Year 1996 (1)	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)
Revenues:				
Program Revenues:				
Charges for Services	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Operating Grants and Contributions	N/A	N/A	N/A	N/A
Capital Grants and Contributions	N/A	N/A	N/A	N/A
General Revenues:				
Taxes:				
Property Taxes, levied for general purposes	N/A	N/A	N/A	N/A
Property Taxes, levied for debt service	N/A	N/A	N/A	N/A
Property Taxes, levied for capital construction	N/A	N/A	N/A	N/A
Property Taxes, levied for public recreation	N/A	N/A	N/A	N/A
Grants and Contributions not restricted to specific programs	N/A	N/A	N/A	N/A
Capital Grant restricted for debt service	N/A	N/A	N/A	N/A
Interest	N/A	N/A	N/A	N/A
Other Local Revenue	N/A	N/A	N/A	N/A
Miscellaneous	N/A	N/A	N/A	N/A
Gain(Loss) on sale of capital assets	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

(1) N/A - Not Available. With the GASB 34 reporting changes the State of Wyoming's Department of Education reclassified function groupings and expanded certain categories. Restating past years financials into the States' new GASB 34 groupings was found to be overwhelming and extremely difficult. Because of this, the decision was made to opt out of restating previous non-GASB 34 years.

	Fiscal Year 2000 (1)	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
\$	N/A	\$ N/A	\$ 2,452,825	\$ 2,385,370	\$ 2,567,789	\$ 2,654,552
	N/A	N/A	4,185,560	4,978,878	5,383,300	6,370,053
	N/A	N/A	500,000	0	0	0
	N/A	N/A	59,261,502	56,181,202	60,325,775	66,535,976
	N/A	N/A	3,126,894	3,472,106	2,665,903	87,102
	N/A	N/A	3,145	1,379	4,020	0
	N/A	N/A	1,177,391	1,353,401	1,382,454	3,336,195
	N/A	N/A	4,569,013	4,183,396	3,255,639	8,886,948
	N/A	N/A	1,250,000	1,250,000	1,500,000	1,500,000
	N/A	N/A	465,903	246,836	223,157	979,413
	N/A	N/A	1,709,158	1,960,143	2,018,820	2,176,045
	N/A	N/A	442,456	395,756	917,291	874,195
	N/A	N/A	45,998	71,247	16,183	(643,948)
	N/A	N/A	79,189,845	76,479,714	80,260,331	92,756,531

GENERAL GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION (1)

LAST TEN FISCAL YEARS

(Unaudited)

TABLE 3

	Fiscal Year 1996 (2)	Fiscal Year 1997 (2)	Fiscal Year 1998 (2)	Fiscal Year 1999 (2)
Current:				
Instruction:				
Regular	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Special Education	N/A	N/A	N/A	N/A
Vocational	N/A	N/A	N/A	N/A
Adult/Continuing	N/A	N/A	N/A	N/A
Support Services:				
Pupil	N/A	N/A	N/A	N/A
Instructional Staff	N/A	N/A	N/A	N/A
General Administrative	N/A	N/A	N/A	N/A
School Administrative	N/A	N/A	N/A	N/A
Business	N/A	N/A	N/A	N/A
Operation & Maintenance of Plant	N/A	N/A	N/A	N/A
Pupil Transportation	N/A	N/A	N/A	N/A
(3)Central	N/A	N/A	N/A	N/A
Other Support	N/A	N/A	N/A	N/A
Operation of Non-Instructional Service:				
Community Services	N/A	N/A	N/A	N/A
Capital Outlay	N/A	N/A	N/A	N/A
Debt Service				
Interest	N/A	N/A	N/A	N/A
Principal	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

(2) N/A-Not Available. With the reporting changes GASB 34 reporting changes the State of Wyoming's Department of Education reclassified function groupings and expanded certain categories. Restating past years financials into the State's new GASB 34 groupings was found to be overwhelming and extremely difficult. Because of this, the decision was made to opt out of restating previous non-GASB 34 years.

(3) The District's Self-funded Insurance Fund was reported as an Internal Service Fund prior to fiscal year 2002 and from 2005 forward, and were not included in the governmental fund totals. For fiscal year's 2002 through 2004 it was included in the District's General Governmental Funds.

	Fiscal Year 2000 (2)	Fiscal Year 2001 (2)	Fiscal Year 2002 (1)	Fiscal Year 2003 (1)	Fiscal Year 2004 (1)	Fiscal Year 2005 (1)					
\$	N/A	\$	N/A	\$	25,179,634	\$	25,598,476	\$	25,500,183	\$	26,861,682
	N/A		N/A		6,479,905		7,439,069		8,183,123		8,760,854
	N/A		N/A		2,711,936		3,027,131		2,786,631		2,518,501
	N/A		N/A		38,401		13,707		16,225		5,432
	N/A		N/A		5,811,013		5,950,319		5,809,497		6,454,205
	N/A		N/A		3,760,535		3,859,572		4,121,610		4,194,925
	N/A		N/A		660,097		714,826		823,411		848,066
	N/A		N/A		3,562,051		3,821,482		3,864,100		3,958,637
	N/A		N/A		1,111,936		1,257,101		1,563,941		1,536,943
	N/A		N/A		6,841,752		7,133,378		7,606,965		7,659,891
	N/A		N/A		3,645,568		3,562,678		3,698,771		3,844,481
	N/A		N/A		7,826,354		7,289,859		7,335,729		1,490,994
	N/A		N/A		143,375		162,206		155,440		269,654
	N/A		N/A		562,237		825,537		1,032,740		1,177,841
	N/A		N/A		4,117,951		3,840,767		3,254,176		3,600,372
	N/A		N/A		1,009,194		897,798		768,418		606,617
	N/A		N/A		2,889,944		3,190,519		3,725,122		3,709,593
	N/A		N/A		76,351,883		78,584,425		80,246,082		77,498,688

GENERAL GOVERNMENTAL FUNDS REVENUES BY SOURCE (1)
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 4

FISCAL YEAR	LOCAL SOURCES (2)	COUNTY SOURCES (2)	STATE SOURCES	FEDERAL SOURCES	TOTAL
1996	\$ 38,448,004	\$ 8,683,351	\$ 183,735	\$ 1,829,287	\$ 49,144,377
1997	43,912,897	8,474,801	171,800	1,978,572	54,538,070
1998	46,204,516	9,431,536	5,666,270	2,371,710	63,674,032
1999	39,503,097	8,845,084	8,142,214	3,469,038	59,959,433
2000	40,473,458	9,280,281	7,701,143	4,278,008	61,732,890
2001	41,127,875	8,759,983	2,727,322	4,701,172	57,316,352
2002	57,059,728	11,718,285	4,854,183	5,010,559	78,642,755
2003	57,412,552	12,058,310	4,545,055	5,076,803	79,092,720
2004	61,212,812	11,133,885	3,515,105	5,804,466	81,666,268
2005	60,127,089	13,521,611	7,064,730	5,850,154	86,563,584

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds

(2) The fluctuations of revenue from one fiscal year to another is in direct correlation to the changes in the assessed valuation as seen in table 6. Campbell County School District is heavily dependent on the mineral extraction industries and an increase or reduction in the assessed value of these industries have a direct effect on revenues.

(3) The District's Self-funded Insurance Fund prior to fiscal year 2002 and from 2005 forward is an Internal Service Fund type and is not included in the General Governmental Funds totals above.

THIS PAGE LEFT INTENTIONALLY BLANK

PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 5

FISCAL YEAR	TAX YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT TAXES AS % OF TOTAL
1996	1995	\$ 44,340,134	\$ 44,319,211	99.95%	\$ 20,923	0.05%
1997	1996	48,618,385	48,613,635	99.99%	4,750	0.01%
1998	1997	52,945,273	52,941,529	99.99%	3,744	0.01%
1999	1998	47,087,601	46,995,868	99.81%	91,733	0.19%
2000	1999	45,215,887	45,065,521	99.67%	150,366	0.33%
2001	2000	51,846,678	51,730,745	99.78%	115,933	0.22%
2002	2001	69,835,665	69,649,418	99.73%	186,247	0.27%
2003	2002	80,810,637	80,696,171	99.86%	114,466	0.14%
2004	2003	84,598,369	84,513,361	99.90%	85,008	0.10%
2005	2004	104,269,723	104,058,464	99.80%	211,259	0.20%

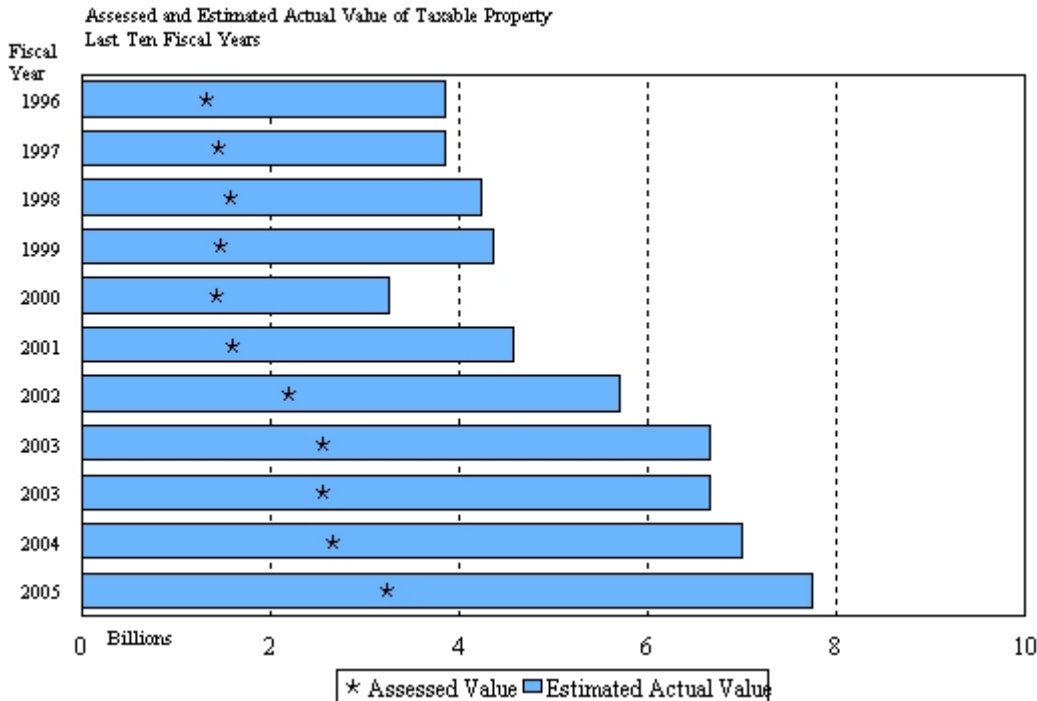
Source: Campbell County Treasurer

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 6

FISCAL YEAR	TAX YEAR	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	RATIO OF ASSESSED TO ESTIMATED ACTUAL VALUE
1996	1995	\$ 1,331,629,700	\$ 3,879,918,600	34.32%
1997	1996	1,461,667,279	3,877,136,700	37.70%
1998	1997	1,587,776,214	4,246,166,838	37.39%
1999	1998	1,495,260,165	4,380,652,376	34.13%
2000	1999	1,435,820,219	3,272,035,730	43.88%
2001	2000	1,625,064,422	4,598,285,288	35.34%
2002	2001	2,214,064,422	5,729,823,768	38.64%
2003	2002	2,563,944,782	6,674,398,088	38.42%
2004	2003	2,686,679,191	7,010,909,056	38.32%
2005	2004	3,258,728,319	7,764,050,019	41.97%

Source: Campbell County Assessor

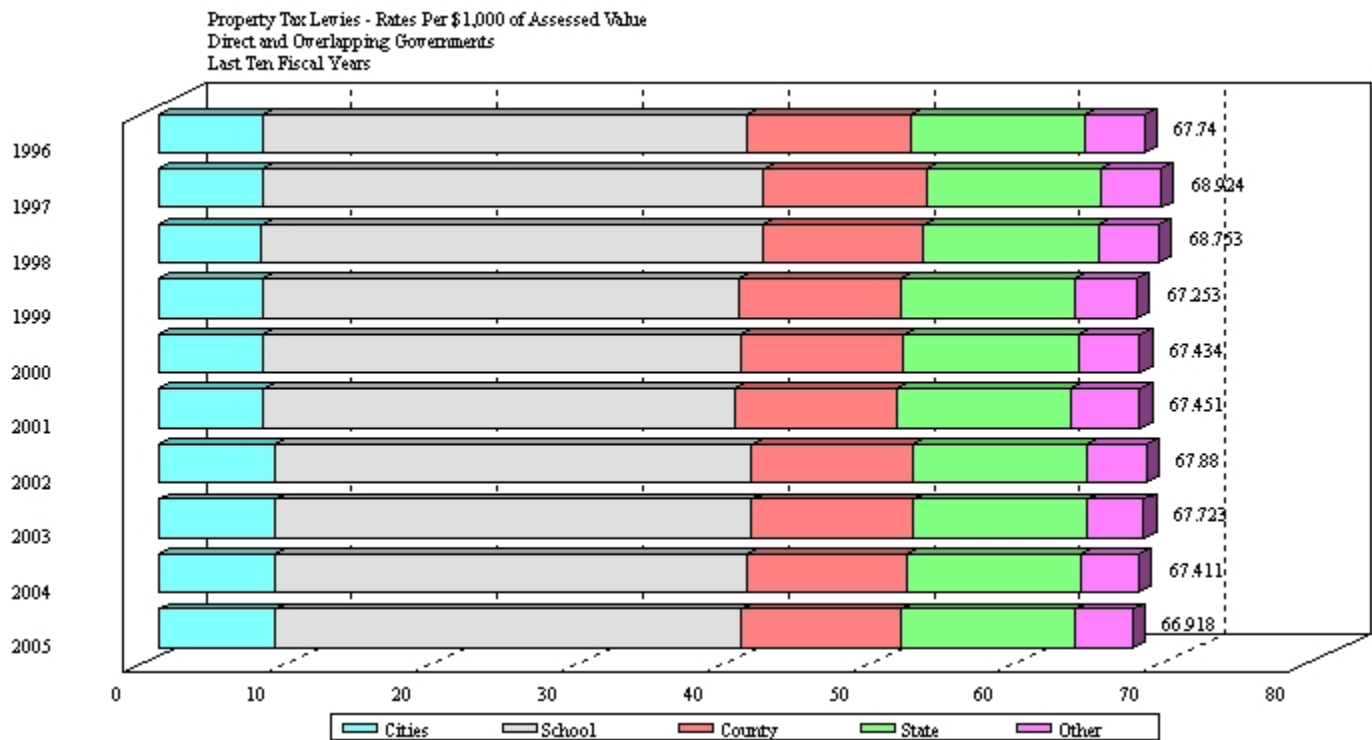


PROPERTY TAX LEVIES - RATES PER \$1,000 OF ASSESSED VALUE
DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 7

FISCAL YEAR	TAX YEAR	CITIES	SCHOOL	COUNTY	STATE	OTHER	TOTAL
1996	1995	7.162	33.308	11.207	12.000	4.063	67.740
1997	1996	7.188	34.406	11.204	12.000	4.126	68.924
1998	1997	7.146	34.438	11.035	12.000	4.134	68.753
1999	1998	7.212	32.700	11.109	12.000	4.232	67.253
2000	1999	7.231	32.811	11.175	12.000	4.217	67.434
2001	2000	7.277	32.306	11.133	12.000	4.735	67.451
2002	2001	8.000	32.806	11.004	12.000	4.070	67.880
2003	2002	8.000	32.806	11.007	12.000	3.910	67.723
2004	2003	8.000	32.416	11.005	12.000	3.990	67.411
2005	2004	8.000	32.000	11.005	12.000	3.913	66.918

Source: Campbell County Assessor



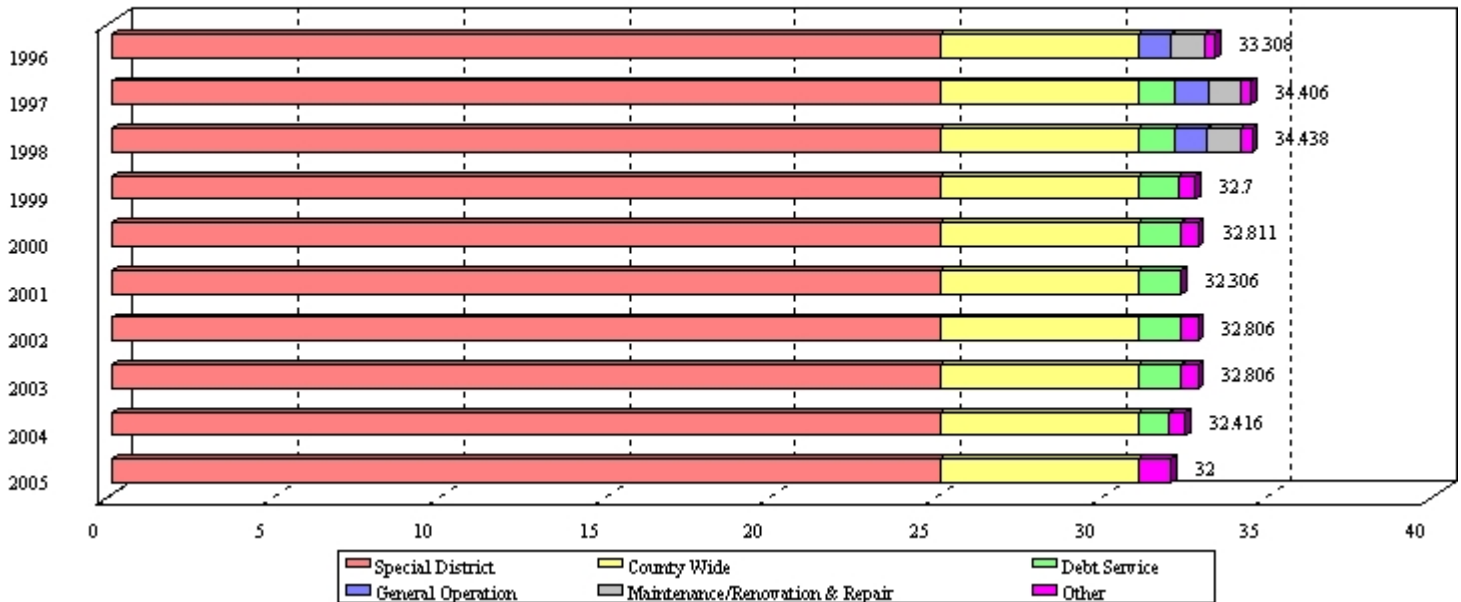
SCHOOL DISTRICT MILL LEVIES - RATES PER \$1,000 OF ASSESSED VALUE
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 8

FISCAL YEAR	SPECIAL DISTRICT	COUNTY WIDE	DEBT SERVICE	GENERAL OPERATION	MAINTENANCE/RENOVATION & REPAIR	BOCES	CCCPRD	TOTAL
1996	25.000	6.000	0.000	1.000	1.000	0.308	0.000	33.308
1997	25.000	6.000	1.125	1.000	1.000	0.281	0.000	34.406
1998	25.000	6.000	1.081	1.000	1.000	0.357	0.000	34.438
1999	25.000	6.000	1.200	0.000	0.000	0.500	0.000	32.700
2000	25.000	6.000	1.311	0.000	0.000	0.500	0.000	32.811
2001	25.000	6.000	1.306	0.000	0.000	0.000	0.000	32.306
2002	25.000	6.000	1.306	0.000	0.000	0.000	0.500	32.806
2003	25.000	6.000	1.306	0.000	0.000	0.000	0.500	32.806
2004	25.000	6.000	.916	0.000	0.000	0.000	0.500	32.416
2005	25.000	6.000	.000	0.000	0.000	0.000	1.000	32.000

Source: Annual School District Report (fiscal year) & Campbell County Assessor

Property Tax Levies - Rates per \$1,000 of Assessed Value



**RATIO OF NET GENERAL OBLIGATION DEBT TO
 ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS**

TABLE 9

FISCAL YEAR	TAX YEAR	POPULATION (1)	ASSESSED VALUE (2)	GROSS BONDED DEBT	LESS DEBT SERVICE FUND
1996	1995	31,350	\$ 1,331,629,700	\$ 0	\$ 0
1997	1996	31,810	1,461,667,279	21,545,000	142,034
1998	1997	31,950	1,587,776,214	20,905,000	241,560
1999	1998	32,450	1,495,260,165	19,585,000	420,935
2000	1999	33,698	1,435,820,219	17,915,000	717,491
2001	2000	34,676	1,625,064,422	15,890,000	1,346,345
2002	2001	36,168	2,214,064,422	13,775,000	2,687,291
2003	2002	36,438	2,563,944,782	11,560,000	4,463,883
2004	2003	36,721	2,686,679,191	8,980,000	5,370,375
2005	2004	37,000	3,258,728,319	6,255,000	3,789,189

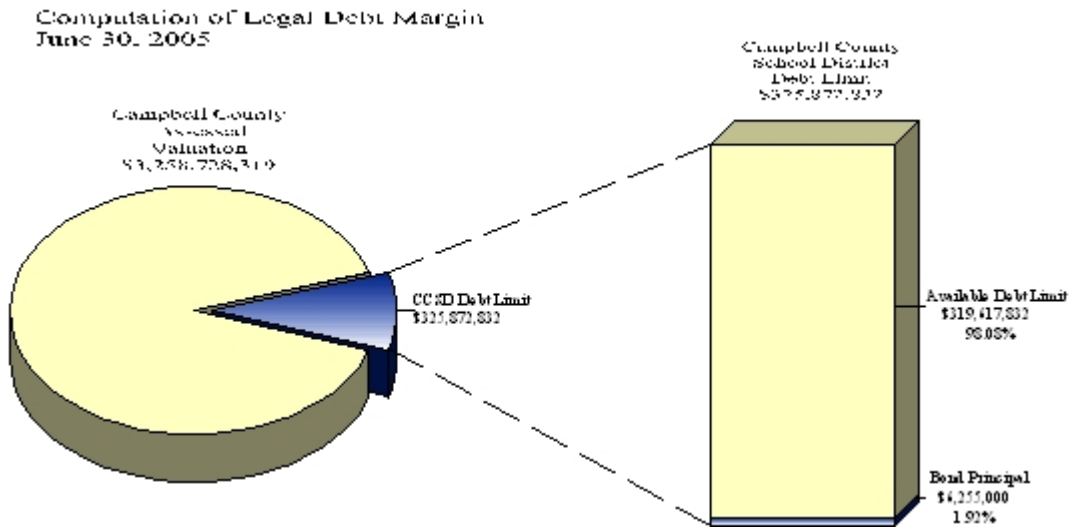
Sources:
 (1) State Agency - Economic Analysis & Campbell County Economic Development Corporation 2004 & 2005 est.
 (2) Campbell County Assessor

NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$ 0	0.00%	\$ 0
21,402,996	1.46%	673
20,663,440	1.30%	647
19,164,065	1.28%	591
17,197,509	1.20%	510
14,543,655	0.89%	420
11,087,709	0.50%	307
7,096,117	0.28%	195
3,609,625	0.13%	98
2,465,811	0.08%	67

COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2005

TABLE 10

Assessed Valuation	\$ 3,258,728,319
Debt Limit The debt limitation for unified school districts in Wyoming is 10% of the valuation of taxable property in the district as certified by the county assessor. (Wyoming statute 21-13-703)	\$ 325,872,832
Bond Principal Outstanding June 30, 2005	\$ 6,255,000
Legal Debt Margin	\$ 319,617,832



COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2005

(Unaudited)

TABLE 11

TAXING BODY	NET DEBT OBLIGATION	AS OF	OVERLAPPING	
			Percentage	Amount
Campbell County School District	\$ 2,465,811	06/30/05	100.00%	\$ 2,465,811
TOTALS	\$ <u>2,465,811</u>			\$ <u>2,465,811</u>

Source: Campbell County Treasurer

**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS
(Unaudited)**

TABLE 12

FISCAL YEAR	PRINCIPAL (1)	INTEREST (1)	TOTAL DEBT SERVICE (1)	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (2)	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES (%)
1996	\$ 0	\$ 0	\$ 0	\$ 52,510,034	0.00%
1997	455,000	1,187,158	1,642,158	60,581,100	2.71%
1998	640,000	1,205,050	1,845,050	68,350,729	2.70%
1999	1,320,000	1,162,650	2,482,650	65,165,799	3.81%
2000	1,670,000	1,075,200	2,745,200	62,930,159	4.36%
2001	2,025,000	964,562	2,989,562	62,383,317	4.79%
2002	2,115,000	862,300	2,977,300	76,351,883	3.90%
2003	2,215,000	753,377	2,968,377	78,584,425	3.78%
2004	2,580,000	637,090	3,217,090	80,246,082	4.01%
2005	2,725,000	499,060	3,224,060	77,498,688	4.16%

Sources:

(1) Annual School District Report

(2) Includes: General, Special Revenue, Debt Service and Capital Projects Funds

DEBT SERVICE SCHEDULE FOR GENERAL OBLIGATION BONDS

As of June 30, 2005

(Unaudited)

TABLE 13

DATE	PRINCIPAL	COUPON	INTEREST	PRINCIPAL & INTEREST TOTAL	ANTICIPATED FROM AML FUNDS	ANTICIPATED FROM TAX LEVY
December 1, 2005	\$		\$ 175,274	175,274	\$	
June 1, 2006	2,860,000	5.550%	175,274	3,035,274	1,500,000	1,710,548
December 1, 2006			95,909	95,909		
June 1, 2007	3,395,000	5.650%	95,908	3,490,908	1,870,000	1,716,817
TOTALS	6,255,000		542,365	6,797,365	3,370,000	3,427,365

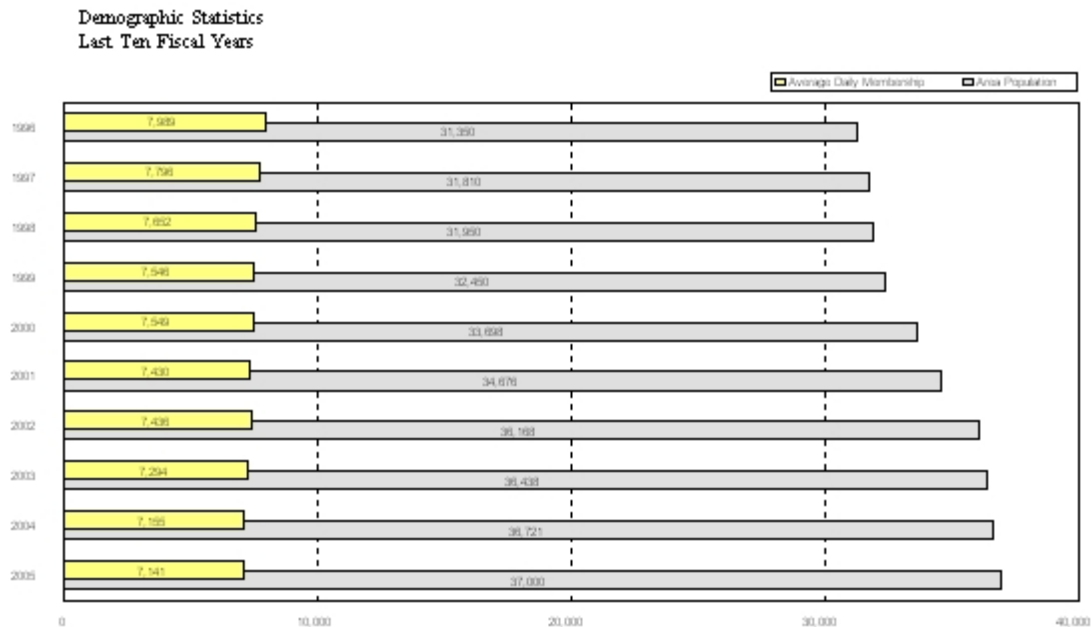
DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 14

FISCAL YEAR	POPULATION (1)	AVERAGE DAILY MEMBERSHIP (2)	STUDENTS AS % OF POPULATION	UNEMPLOYMENT RATE (1 or 3)
1996	31,350	7,989	25.48%	3.9%
1997	31,810	7,796	24.51%	4.7%
1998	31,950	7,652	23.95%	4.2%
1999	32,450	7,546	23.25%	4.6%
2000	33,698	7,549	22.40%	3.2%
2001	34,676	7,430	21.43%	2.7%
2002	36,168	7,436	20.56%	3.0%
2003	36,438	7,294	20.02%	3.4%
2004	36,721	7,155	19.48%	2.9%
2005	37,000	7,141	19.30%	2.5%

Sources:

- (1) State Agency - Economic Analysis & Campbell County Economic Development Corporation (2004 & 2005 est)
- (2) Annual School District Report (fiscal year)
- (3) State Agency - Employment Security Commission or Wyoming Department of Employment.



THIS PAGE LEFT INTENTIONALLY BLANK

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

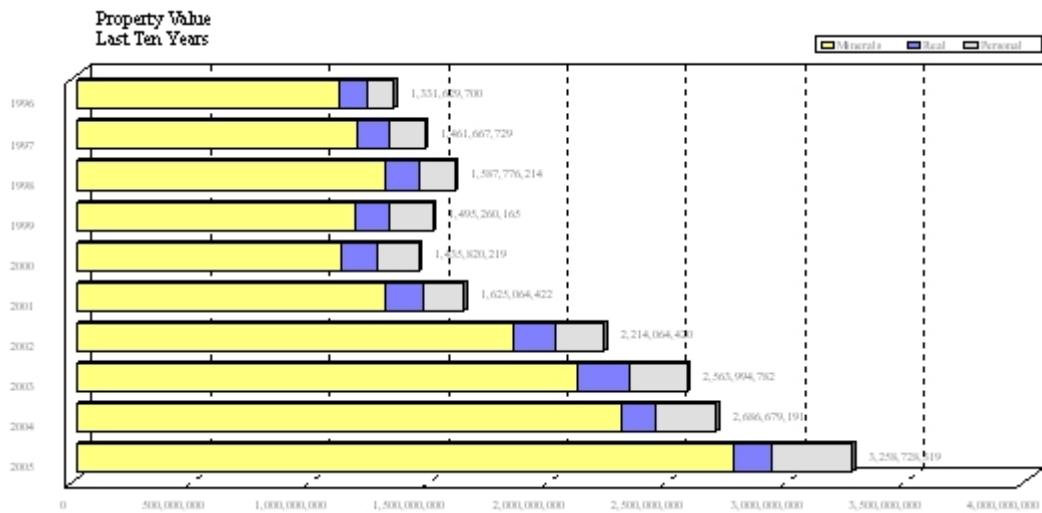
(Unaudited)

TABLE 15

FISCAL YEAR	TAX YEAR	PROPERTY VALUE (1)			
		Real	Personal	Minerals	Total
1996	1995	\$ 114,635,706	\$ 113,774,864	\$ 1,103,219,130	\$ 1,331,629,700
1997	1996	135,923,081	148,429,026	1,177,315,622	1,461,667,729
1998	1997	142,995,180	152,381,556	1,292,399,478	1,587,776,214
1999	1998	142,911,586	184,291,987	1,168,056,592	1,495,260,165
2000	1999	154,670,858	172,532,715	1,108,616,646	1,435,820,219
2001	2000	164,356,299	166,001,575	1,294,706,548	1,625,064,422
2002	2001	175,559,534	205,244,281	1,833,260,607	2,214,064,422
2003	2002	211,439,900	245,277,134	2,107,277,748	2,563,994,782
2004	2003	140,206,267	255,508,174	2,290,964,750	2,686,679,191
2005	2004	161,754,987	338,836,313	2,758,137,019	3,258,728,319

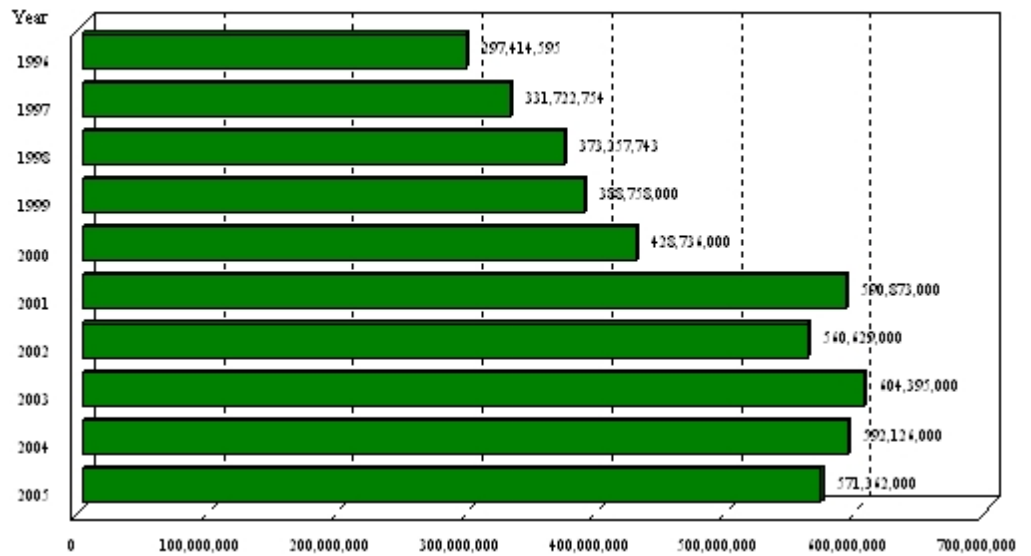
Sources:

- (1) Assessed Value from Campbell County Assessor
- (2) City of Gillette, Building of Inspection
- (3) Publication - Gillette News Record & Campbell County Economic Development Corporation



CALENDAR YEAR	COMMERCIAL		CONSTRUCTION (2) RESIDENTIAL		FISCAL YEAR	BANK DEPOSITS (3) June 30 Balances
	# of Units	Value	# of Units	Value		
1995	16	\$ 3,870,000	48	\$ 6,088,150	1996	\$ 297,414,595
1996	24	8,713,700	66	9,134,000	1997	331,722,754
1997	14	20,785,000	39	5,241,500	1998	373,257,743
1998	24	6,228,745	49	6,240,400	1999	388,758,000
1999	18	3,253,600	37	5,127,700	2000	428,736,000
2000	21	7,386,880	56	7,255,495	2001	590,873,000
2001	29	16,634,947	104	13,534,894	2002	560,629,000
2002	41	30,986,104	140	19,819,732	2003	604,395,000
2003	37	12,219,578	154	22,236,623	2004	592,126,000
2004	23	8,979,083	127	19,884,842	2005	571,362,000

Bank Deposits
On June 30 - Last Ten Years



PRINCIPAL TAXPAYERS (Top 20)
 2004 COLLECTIONS
 (Unaudited)

TABLE 16

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENT OF TOTAL VALUATION
Powder River Coal Company	Coal	\$ 575,708,082	17.67%
Thunder Basin Coal Company	Coal	389,018,526	11.94%
Foundation Coal West Inc	Coal	233,935,559	7.18%
Jacobs Ranch Coal Company	Coal	197,572,777	6.06%
Lance Oil & Gas Company Inc	Oil & Gas	186,689,762	5.73%
Williams Production RMT Company	Oil & Gas	182,138,607	5.59%
Devon Energy Production Company LP	Oil & Gas	139,567,582	4.28%
Triton Coal Company	Coal	131,371,131	4.03%
Cordero Mining Company	Coal	105,079,182	3.22%
Pennaco Energy Inc	Oil & Gas	96,731,797	2.97%
Caballo ROJO Inc	Coal	75,795,719	2.32%
Merit Energy	Oil & Gas	73,530,466	2.26%
Yates Petroleum Corporation	Oil & Gas	59,350,863	1.82%
Conocophillips Company	Oil & Gas	55,177,743	1.69%
Coleman Oil & Gas Inc	Oil & Gas	52,414,897	1.61%
J M Huber Corporation	Oil & Gas	45,179,930	1.39%
RIM Operating Inc	Oil & Gas	42,119,758	1.29%
Antelope Coal Company	Coal	39,913,698	1.22%
Petro-Canada Resources (USA) Inc	Oil & Gas	37,735,495	1.16%
Williams Production RMT Barrett	Oil & Gas	36,001,189	1.10%
		\$ 2,755,032,763	84.54%

Note: Total Assessed Valuation for tax year 2004 is \$3,258,728,319

Source: Campbell County Assessor

MISCELLANEOUS STATISTICAL DATA
(Unaudited)

TABLE 17

Year County Created: 1911	District Population: (est. as of 6/30/2005)	37,000	
Geographical Area: 3,043,520 acres or 4,755 square miles	Average Daily Membership (Fiscal Year 2005)	7,141	
Teacher Salaries: Min. \$ 28,100 Max. \$ 56,730 Average \$ 40,664	Student / Teacher Ratios:	17.16:1 - Elementary 15.35:1 - Secondary	
Employees: (6/30/2005)			
Instructional Services			
Central Office Administrators	5		
Principals & Asst. Principals	25		
Teaching Staff	604		
Substitute Teachers	144		
Guidance Counselors	17		
Media Specialists	12		
Support Services			
Central Office Administrators	5		
Nurses, Psychologists, and Social Workers	28		
Pupil Transportation	147		
Personnel Services	5		
Operation and Maintenance	109		
Finance, Fiscal Services and Data Processing	15		
School Bldg. Clerical & Aides Support	314		
General Laborer (Science Center)	2		
Printing	5		
Purchasing/Warehouse/Mail Room	6		
Food Services	56		
	<u>1,499</u>		
Number of Schools:	High School Graduates - Fiscal Year 2005:		
High School	1	Campbell County High School	384
Jr./Sr. High School	1	Wright Jr./Sr. High	41
Alternative Transitional Center (specializing in at-risk students)	1	Westwood High School	53
			<u>478</u>
Jr. High Schools	2		
Middle Schools (rural)	2		
Elementary Schools (5 rural)	15		
	<u>22</u>		

AVERAGE DAILY MEMBERSHIP AND ATTENDANCE
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 18

FISCAL YEAR	AVERAGE DAILY MEMBERSHIP	AVERAGE DAILY ATTENDANCE	PERCENT OF ATTENDANCE	TOTAL GENERAL FUND EXPENDITURES	GENERAL FUND COST PER PUPIL (Based on ADM)
1996	7,989	7,538	94.35%	\$ 46,344,164	\$ 5,801
1997	7,796	7,324	93.95%	48,140,983	6,175
1998	7,652	7,253	94.79%	48,446,143	6,331
1999	7,546	7,127	94.45%	49,908,316	6,614
2000	7,549	7,139	94.57%	52,508,172	6,956
2001	7,430	6,998	94.19%	52,188,711	7,024
2002	7,436	7,005	94.20%	63,765,589	8,575
2003	7,294	6,891	94.47%	64,672,165	8,866
2004	7,155	6,744	94.26%	66,236,044	9,257
2005	7,141	6,702	93.85%	63,182,000	8,848

Source: Annual School District Report

PAYMENTS TO THE STATE FOUNDATION PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

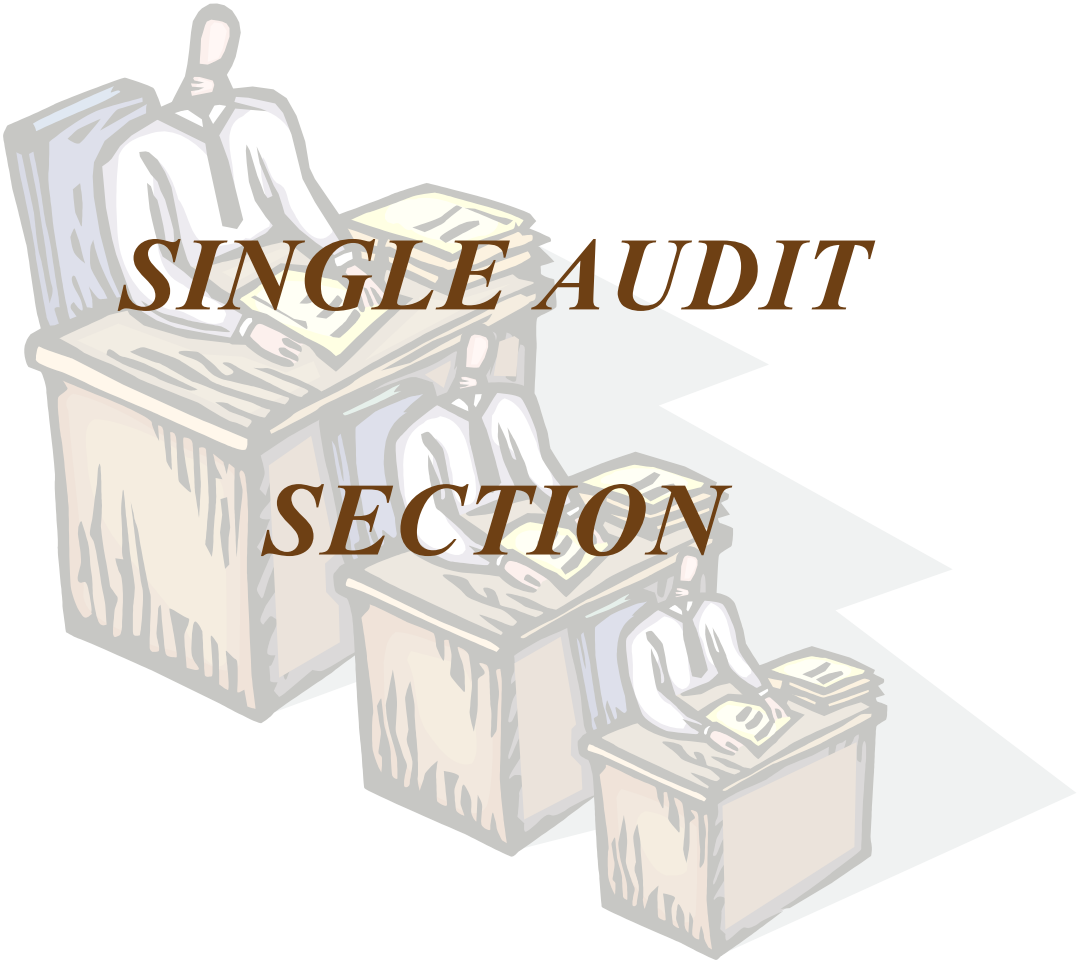
TABLE 19

FISCAL YEAR	PAYMENTS TO THE STATE FOUNDATION PROGRAM	
	BUDGETED (2)	PAID (1)
1996	\$ 6,000,000	\$ 5,537,329
1997	9,841,677	9,840,112
1998	14,428,790	13,192,486
1999	6,866,979	6,247,831
2000	5,200,175	1,181,357
2001	5,527,930	9,051,368
2002	19,551,635	19,551,635
2003	26,349,956	26,349,956
2004	29,335,000	28,595,122
2005	45,220,000	39,217,242

1) Due to legislative changes in the spring of 2000 three fourths of the Fiscal Year 2000 recapture payment was deferred to January 2001 with the remaining amount due being booked as a payable. In Fiscal Year 2001 payment to State Foundation Program included the three fourths payment deferred for Fiscal Year 2000 plus the current fiscal years payment.

(2) Presented on Budgetary Basis.

THIS PAGE LEFT INTENTIONALLY BLANK



SINGLE AUDIT

SECTION

SHUCK, BENNETT & WEBER
CERTIFIED PUBLIC ACCOUNTS AND CONSULTANTS

319 S. Gillette Avenue, Suite 200
P.O. Box 2256
Gillette, WY 82717-2256

Jerry C. Shuck, CPA
Michael R. Bennett, CPA
Rauland J. Weber, CPA
Tamara J. Hermstad, CPA
Michael L. Shuck, CPA

Telephone (307) 682-5250
Fax (307) 682-6938
sbw@sbwcpas.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS REQUIRED
BY GOVERNMENTAL AUDITING STANDARDS**

Governing Board
Campbell County School District No. 1
Gillette, Wyoming

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of **Campbell County School District No. 1**, as of and for the year ended June 30, 2005, which collectively comprise the **District's** basic financial statements and have issued our report thereon dated August 4, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Campbell County School District No. 1's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the **District's** ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Finding IC 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily

disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of **Campbell County School District No. 1** in a separate letter dated August 4, 2005.

This report is intended solely for the information and use of the Governing Board, management, the Wyoming Department of Audit and the oversight audit entity and is not intended to be and should not be used by anyone other than those specified parties.

Gillette, Wyoming
August 4, 2005

SHUCK, BENNETT & WEBER
CERTIFIED PUBLIC ACCOUNTS AND CONSULTANTS

319 S. Gillette Avenue, Suite 200
P.O. Box 2256
Gillette, WY 82717-2256

Jerry C. Shuck, CPA
Michael R. Bennett, CPA
Rauland J. Weber, CPA
Tamara J. Hermstad, CPA
Michael L. Shuck, CPA

Telephone (307) 682-5250
Fax (307) 682-6938
sbw@sbwcpas.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Governing Board
Campbell County School District No. 1
Gillette, Wyoming

Compliance

We have audited the compliance of **Campbell County School District No. 1** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The **District's** major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the **District's** management. Our responsibility is to express an opinion on the **District's** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining on a test basis, evidence about the **District's** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the **District's** compliance with those requirements.

In our opinion, the **District** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of the **District** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the **District's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the **District's** ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Finding FA 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of the Governing Board, management, the Wyoming Department of Audit and the oversight audit entity and is not intended to be and should not be used by anyone other than those specified parties.

Gillette, Wyoming
August 4, 2005

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2005

(Page 1 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>Department of Education</u>			
Impact Aid Section 8003(b)	84.041B	S041B-2003-5966	\$ 12,892
Impact Aid Section 8003(b)	84.041B	S041B-2005-5966	63,374
Passed Through State of Wyoming Department of Education			
Carl Perkins, Vocational Education, FY04	84.048A	040VEC170Z	1,670
Carl Perkins, Vocational Education, FY05	84.048A	050VEA2569	104,160
Carl Perkins, Vocational Education, FY05	84.048A	050VEC181J	17,207
Carl Perkins, Vocational Education, FY05	84.048A	050VEC186Q	5,390
Tech-Prep Education, FY05	84.243A	050VEK898T	6,927
Title I, FY04	84.010A	04TIASIF2D	21,521
Title I, FY04	84.010A	040T1A106G	210,627
Title I, FY05	84.010A	050T1A256S	901,438
Title I, Neglected and Delinquent, FY04	84.010A	04NDS2002A	31,793
Title I, Neglected and Delinquent, FY05	84.010A	05NDS2256V	70,302
Title I, Even Start, FY03	84.213C	03EVST025V	1,600
Title I, Even Start, FY04	84.213C	04EVST001X	29,214
Title I, Even Start, FY05	84.213C	05EVST0068	92,870
Title V, FY04	84.298A	0400T5106J	18,015
Title V, FY05	84.298A	0500T5256U	59,673
Safe and Drug-Free Schools and Communities, FY04	84.184C	0421SIG02E	16,000
Drug Free Schools, FY04	84.186B	0421SIG02B	17,300
Drug Free Schools, FY04	84.186A	04SDFS1067	17,378
Drug Free Schools, FY05	84.186A	0521SIG02B	10,514
Drug Free Schools, FY05	84.186A	05SDFS256H	62,712
Title II D, Technology, FY04	84.318X	04T2DEETTD	50,000
Title II D, Technology, FY04	84.318X	040T2D106T	4,615
Title II D, Technology, FY05	84.318X	050T2D2566	65,828
Title II D, Technology, FY05	84.318X	05T2DEETTD	118,155
Title II A, FY04	84.367A	040T2A106W	49,017
Title II A, FY05	84.367A	050T2A2569	623,066
Part B, FY03	84.027A	03VIBD122Y	6,394
Part B, FY04	84.027A	04VIBA106C	356,235
Part B, FY05	84.027A	05VIBA2566	940,926
Part B, FY05	84.027A	05SPED0301	200
Part B, FY04	84.173A	04VIBP106C	3,267
Part B, FY05	84.173A	05VIBP256M	10,542
Title III, FY04	84.365A	0400T3106L	19,577
Title III, FY05	84.365A	0500T3256W	23,465
McKinney Homeless, FY03	84.196A	03HMLS0309	4
McKinney Homeless, FY04	84.196A	04HMLS022W	6,970
21 st Century SIG, FY04	84.287C	0421SIG02A	20,441
21 st Century SIG, FY04	84.287C	0421CLC03A	31,013
21 st Century SIG, FY05	84.287C	0521SIG02A	9,870
21 st Century SIG, FY05	84.287C	0521C3C03A	42,914
21 st Century SIG, FY05	84.287C	0521CLC03A	27,339

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2005
(Page 2 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
Department of Education (Continued)			
Tobacco Free Schools SIG, FY04	-	0421SIG02D	\$ 7,699
Tobacco Free Schools SIG, FY05	-	0521SIG02D	1,113
Passed Through Sheridan County School District No. 1, Wyoming Title II D, Technology, FY04	84.318X	-	10,748
Total U.S. Department of Education			\$ 4,201,975
Department of Health and Human Services			
Passed Through State of Wyoming Department of Family Services			
TANF	93.558	-	\$ 268
Child Care Development Block Grant	93.575	-	6,906
Title IVB Foster Care	93.645	-	14
Title IVE Foster Care	93.658	-	112
Social Service Block Grant	93.667	-	77
Passed Through State of Wyoming Department of Education			
Consolidated Knowledge Development and Application Program, FY04	93.230	0421SIG02C	86,733
Consolidated Knowledge Development and Application Program, FY05	93.230	0521SIG02C	48,637
Total U.S. Department of Health and Human Services			\$ 142,747
Department of Labor			
Passed Through State of Wyoming Department of Workforce Services and Department of Employment			
Work Investment Act - Youth Out-of-School	17.259	2617YO04W004	\$ 2,708
Work Investment Act - Youth Out-of-School	17.259	2617YO04W006	462
Work Investment Act - Youth Out-of-School	17.259	2617YO05W001	423
Work Investment Act - Youth Out-of-School	17.259	2617YO05W002	1,839
Total U.S. Department of Labor			\$ 5,432
Department of Agriculture			
Passed Through the State of Wyoming Department of Education			
Food Distribution Program	10.550	-	\$ 85,592
National Breakfast Program	10.553	-	114,606
National School Lunch Program	10.555	-	530,756
Summer Food Service Program for Children	10.559	-	19,376
Total U.S. Department of Agriculture			\$ 750,330

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2005

(Page 3 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>Department of Interior</u>			
Abandoned Mine Land Reclamation Program Passed Through Campbell County, Wyoming Treasurer's Office	15.252	-	\$ 1,500,000
Taylor Grazing Act	15.227	-	29,579
Total Department of Interior			\$ 1,529,579
Total Expenditures of Federal Awards			\$ 6,630,063

Basis of Presentation: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Campbell County School District No. 1 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 "Audits of State, 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.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended **June 30, 2005**

(Page 1 of 2)

Section I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weaknesses(es) identified? yes X no
- Reportable condition(s) identified that are not
considered to be material weakness(es)? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Reportable condition(s) identified that are not
considered to be material weakness(es)? X yes none reported

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

Any audit findings disclosed that are required to
be reported in accordance with section 510(a)
of Circular A-133? X yes no

Identification of major programs:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Amount Expended</i>
15.252	Abandoned Mine Land Reclamation Program	<u>\$1,500,000</u>
84.186A	Drug Free Schools	\$ 90,604
84.186B	Drug Free Schools	17,300
	Drug Free Schools Total	<u>\$ 107,904</u>
84.318X	Title II-D	<u>\$ 249,346</u>
84.027A	Part B	<u>\$ 1,303,755</u>
84.173A	Part B	13,809
	Part B Cluster Total	<u>\$ 1,317,564</u>
84.287C	21 st Century SIG	<u>\$ 131,577</u>

Dollar threshold used to distinguish between type A
and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended **June 30, 2005**

(Page 2 of 2)

Section II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance With Government Auditing Standards Generally Accepted in the United States of America

A. Reportable Conditions in Internal Control

IC 05-1 - Segregation of Duties in Data Processing Department

Computer programmers perform both operating and programming functions in data processing. This does not provide an adequate segregation of duties within the data processing department.

The **District's** data processing staff is not large enough to permit adequate segregation of duties as reported above. Due to the size of the District's staff it is anticipated that this will be an ongoing finding. However, there are possible compensating controls such as close supervision and monitoring by management and by the governing board.

Auditee's Response:

Although the Data Processing staff is too small to provide for adequate segregation of duties, there are effective compensating controls in place. Physical control of documents and control of check signature authority are two examples of measures used to compensate for the segregation issue. Purchase orders all require management approval, as well as invoices processed for payment. The Board of Trustees approves all warrants. On a monthly basis, expenditures are reviewed by the Board, Administrators, and Department Heads and bank statements are reconciled and reviewed. These controls provide adequate and effective safeguards to compensate for the lack of segregation of responsibilities in the data processing department.

B. Compliance Findings

There were no compliance findings.

Section III. Findings and Questioned Costs for Federal Awards

FA 05-1 - Segregation of Duties in the Data Processing Department

For all major programs computer programmers perform both operating and programming functions in data processing. This does not provide an adequate segregation of duties within the data processing department.

The **District's** data processing staff is not large enough to permit adequate segregation of duties as reported above. Due to the size of the District's staff it is anticipated that this will be an ongoing finding. However, there are possible compensating controls such as close supervision and monitoring by management and by the governing board.

Because of the size of the **District's** data processing staff it is anticipated that this weakness will be an ongoing finding.

Auditee's Response:

Although the Data Processing staff is too small to provide for adequate segregation of duties, there are effective compensating controls in place. Physical control of documents and control of check signature authority are two examples of measures used to compensate for the segregation issue. Purchase orders all require management approval, as well as invoices processed for payment. The Board of Trustees approves all warrants. On a monthly basis, expenditures are reviewed by the Board, Administrators, and Department Heads and bank statements are reconciled and reviewed. These controls provide adequate and effective safeguards to compensate for the lack of segregation of responsibilities in the data processing department.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2005

1) Prior Year Finding:

Segregation of Duties in the Data Processing Department

For all major programs computer programmers perform both operating and programming functions in data processing. This does not provide an adequate segregation of duties within the data processing department.

Auditee's Response.

Although the Data Processing staff is too small to provide for adequate segregation of duties, there are effective compensating controls in place. Physical control of documents and control of check signature authority are two examples of measures used to compensate for the segregation issue. Purchase orders all require management approval, as well as invoices processed for payment. The Board of Trustees approves all warrants. On a monthly basis, expenditures are reviewed by the Board, Administrators, and Department Heads and bank statements are reconciled and reviewed. These controls provide adequate and effective safeguards to compensate for the lack of segregation of responsibilities in the data processing department.

Our appreciation is extended to the
following for all their assistance and support:

Thank You

Shuck, Bennett & Weber, Certified Public Accountants and Consultants

Mike Bennett, Ryan Gemar, Ryan Fornstrom, Paula Seiger, Norma Miller & Staff

Campbell County Treasurer

Shirley Study, Becky Brazelton, Jackie Blikre & Staff

Campbell County Assessor

Jerry Shatzer & Staff