

Campbell County
School District No.1
Gillette, Wyoming



"Teaching Effectively - Learning Successfully"

Fiscal Year Ended
June 30, 2006

GASB 34 Compliant

Prepared by the:

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

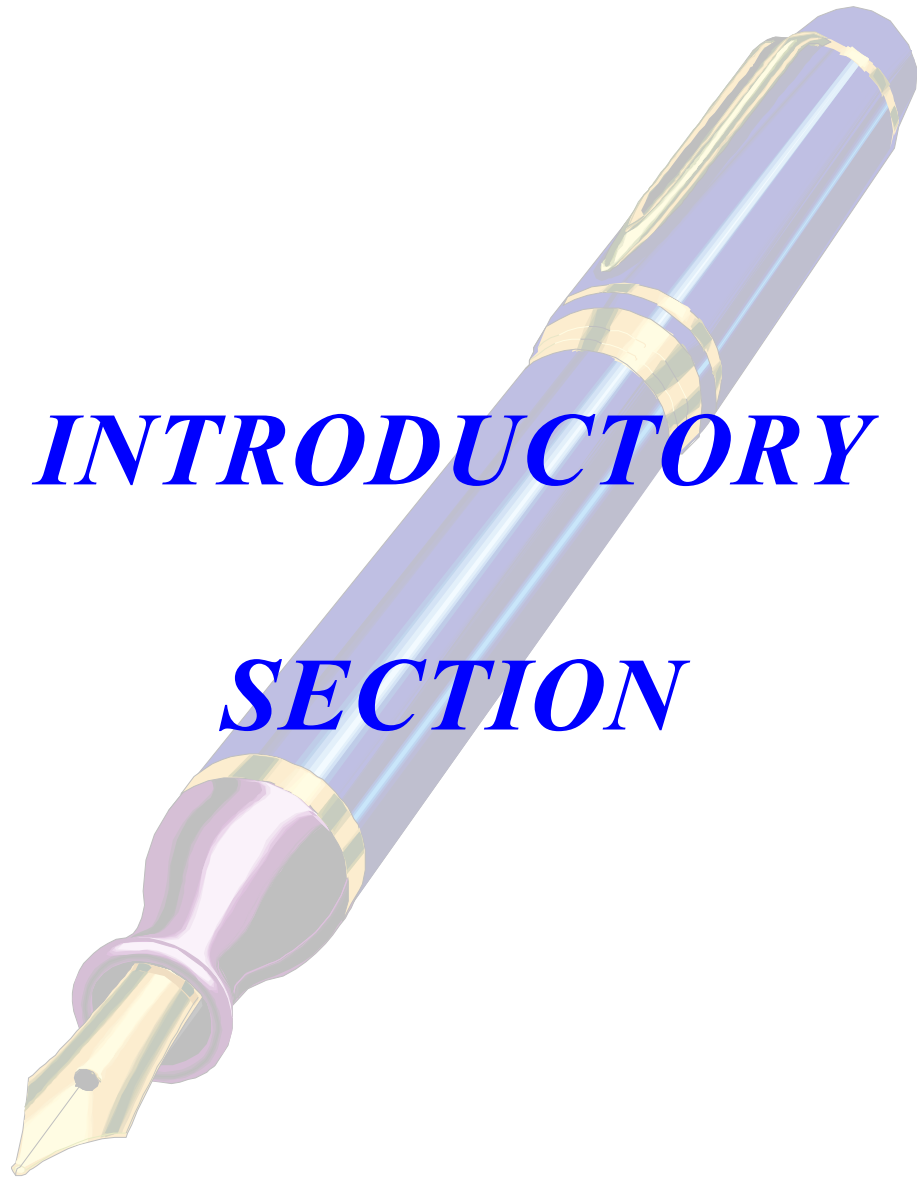
Rhea J. Betts, MBA
Accounting Manager

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF
CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
GILLETTE, WYOMING
FOR THE FISCAL YEAR ENDED
JUNE 30, 2006**

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

Prepared By Instructional Support Division, Accounting Department

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INTRODUCTORY
SECTION

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CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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Campbell County School District No. 1

WWW.CCSD.K12.WY.US



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 1, 2006

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 2006 Comprehensive Annual Financial Report (CAFR) of Campbell County School District No. 1, for the fiscal year ended June 30, 2006. 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 2005.
- 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 7,350 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 1,506 in 2005-2006. Of the total, 885 were certified staff including teachers, specialists, and administrators. Non certified staff including clerical, custodial, food services, aides, maintenance, and bus drivers totaled 621. 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 Value 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 new Proficiency Assessments for Wyoming Students (PAWS) program. Tests in reading, writing, and mathematics were administered to students in grades three through eight and also grade eleven.

The portion of Campbell County students at each performance level compared to all Wyoming students can be seen in Figure One.

Figure One

Grade	Third		Forth		Fifth		Sixth		Seventh		Eighth		Eleventh	
	CCSD	Wyoming	CCSD	Wyoming	CCSD	Wyoming	CCSD	Wyoming	CCSD	Wyoming	CCSD	Wyoming	CCSD	Wyoming
Reading														
Not Tested	0.7%	2.5%	1.8%	2.7%	2.4%	2.9%	1.3%	2.4%	2.8%	2.9%	1.9%	2.9%	5.8%	7.8%
Below Basic	6.6%	9.4%	5.3%	9.4%	5.1%	8.8%	5.9%	10.6%	8.0%	11.7%	11.2%	12.0%	9.6%	13.2%
Basic	24.7%	28.0%	17.2%	25.3%	23.1%	24.1%	23.4%	25.6%	25.2%	24.0%	30.6%	25.3%	19.9%	21.5%
Proficient	52.2%	49.0%	53.9%	47.8%	50.3%	47.0%	53.8%	47.0%	51.0%	45.0%	44.4%	45.7%	50.4%	44.5%
Advanced	15.8%	11.1%	21.8%	14.8%	19.1%	17.2%	15.7%	14.5%	13.1%	16.4%	11.9%	14.1%	14.4%	13.0%
Writing														
Not Tested	0.7%	2.7%	1.6%	2.8%	2.4%	3.1%	1.5%	3.0%	3.3%	3.3%	3.1%	3.2%	8.3%	8.4%
Below Basic	16.8%	20.4%	8.4%	11.6%	13.6%	18.5%	4.8%	11.8%	9.8%	15.6%	6.0%	7.4%	10.7%	12.5%
Basic	32.6%	36.9%	34.4%	40.3%	43.2%	41.9%	33.0%	40.9%	37.6%	34.3%	24.6%	26.5%	20.0%	26.0%
Proficient	38.8%	32.5%	45.5%	38.7%	39.8%	32.6%	51.6%	38.4%	44.7%	40.5%	62.0%	55.3%	45.4%	40.9%
Advanced	11.0%	7.5%	10.1%	6.6%	1.0%	3.8%	9.2%	6.0%	4.7%	6.2%	4.3%	7.6%	15.6%	12.2%
Math														
Not Tested	0.7%	2.3%	1.5%	2.5%	2.4%	2.7%	1.3%	2.2%	2.4%	2.9%	1.5%	2.8%	6.1%	7.4%
Below Basic	3.5%	7.3%	60.0%	9.3%	9.5%	11.9%	6.1%	12.2%	11.2%	17.7%	20.0%	22.7%	12.7%	13.2%
Basic	13.6%	17.4%	13.7%	16.9%	19.7%	21.2%	10.9%	15.5%	18.8%	20.8%	25.3%	22.0%	25.9%	26.3%
Proficient	56.6%	55.1%	57.4%	54.6%	53.5%	48.2%	60.6%	51.4%	48.4%	43.3%	40.8%	39.4%	42.6%	41.6%
Advanced	25.6%	17.9%	21.4%	16.7%	15.0%	15.9%	21.2%	18.7%	19.2%	15.2%	12.4%	13.0%	12.7%	11.4%

The average American College Testing (ACT) scores for Campbell County School District No.1 during the 2005-2006 school year; 21.4 for Campbell County High School, and 20.6 for Wright Junior/Senior High School. State and national averages were 21.6 and 21.1, respectively.

During 2005-2006, an average of 93.08% of Campbell County School District No. 1 students attended class each day, compared to 93.85% in 2004-2005; 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 2005-2006 school year was 121 students, 3.55% of the secondary enrollment of the district. This percentage compares to 3.13% in the 2004-2005 school year, 3.13% in 2003-2004; 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 ten years, 511 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. The MD&A is a complement to this letter and should be read in conjunction with it.
- *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, 2006, 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 2005-2006 school year for all governmental funds of \$2,403,857 represented 2.4 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. Coverage and related deductibles for commercial insurance for claims and risks of loss are listed in Figure Two.

Figure Two

Summary of Insurance Coverage		
Type of Claim	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	----
Buildings and contents	\$250,000,000	\$ 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, 2005 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, 2006
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
Kathy Swartz
(2004-2008)



Trustee
Gregg Blikre
(2005-2006)



Trustee
Barbra Dilts
(2004-2008)



Trustee
Steve Pecha
(2005-2006)

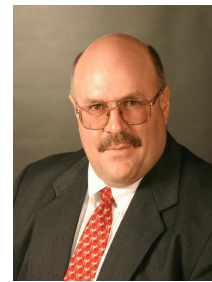
APPOINTED OFFICIALS



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.



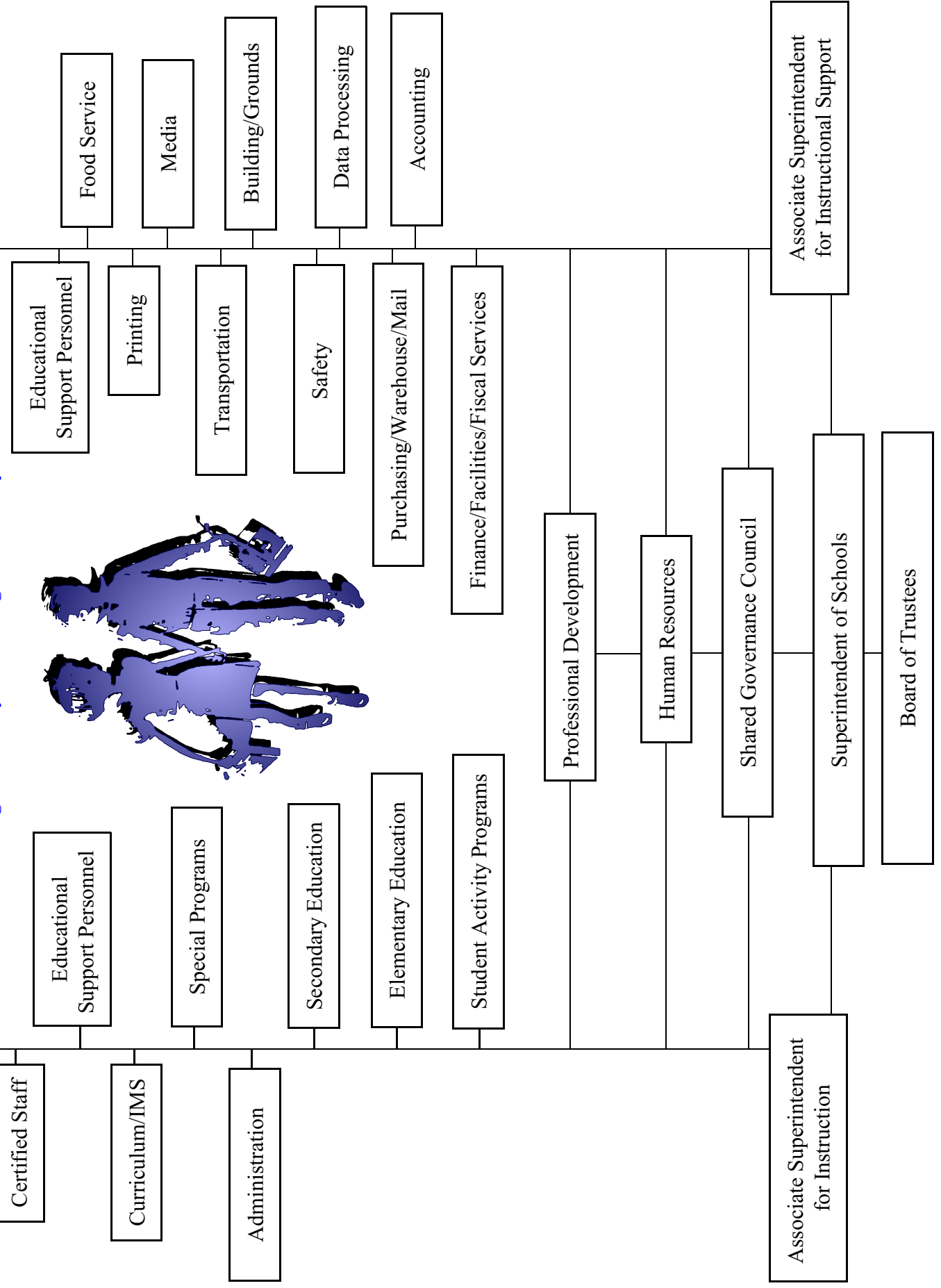
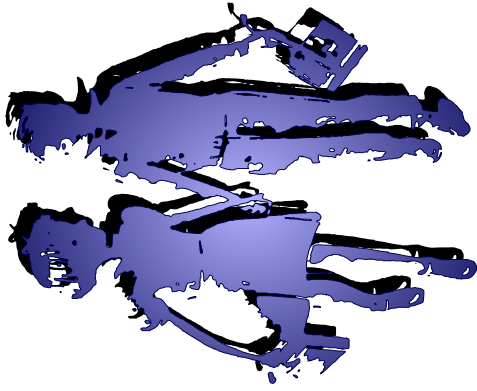
Assistant Superintendent for
Special Programs
Beth A. Norton



Assistant Superintendent for
Technology Education
Lyla R. Downey

Students of Campbell County School District No.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, 2005

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

Melody Jorgensen

President

John D. Muzzo

Executive Director

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FINANCIAL

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SHUCK, BENNETT & WEBER

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

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

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, 2006, 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, 2006, and the respective changes in financial position and where applicable, cash flows 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 July 28, 2006, 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 section 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 section 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
July 28, 2006

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006

(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, 2006. 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 2006 are as follows:

- The district's financial status improved. In total, net assets increased \$9,194,198 which represents an 9.101 percent increase from fiscal year 2005.
- Overall revenues were \$100,914,422, exceeding expenses by \$9,194,198.
- General Revenues accounted for \$90,433,692 in revenue or 89.614 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 \$10,480,730 or 10.386 percent of total revenues of \$100,914,422.
- The district reduced its outstanding long-term debt by \$3,271,412 or 37.030 percent.
- The District had \$91,720,224 in expenses; only \$10,480,730 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$90,433,692 were adequate to provide for these programs.
- Among major funds, the General fund had \$85,129,068 in revenues and \$74,646,324 in expenditures. The General Fund's balance increased \$6,045,313 over 2005.
- The net assets of governmental activities increased by 9.084 percent or \$9,147,591 and the net assets of the business-type activity also increased 14.619 percent or \$46,607.

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, 2006

(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 2006?" 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 are two; one business-type activity, the Enterprise Fund-Food Service and one Internal Service Fund for the District's Self-Insurance Health Plan. 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 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, 2006**

(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 three 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 2006 compared to 2005:

Figure A

Condensed Statement of Net Assets							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2005	2006	2005	2006	2005	2006	
Current and other assets	\$ 38,435,429	\$ 46,036,389	\$ 288,624	\$ 331,568	\$ 38,724,053	\$ 46,367,957	19.739 %
Capital assets	82,051,189	81,077,567	63,019	59,588	82,114,208	81,137,155	(1.190)%
Total Assets	120,486,618	127,113,956	351,643	391,156	120,838,261	127,505,112	5.517 %
Long-Term Liabilities	5,192,964	1,451,470	0	0	5,192,964	1,451,470	(72.049)%
Other Liabilities	14,591,540	15,812,781	32,837	25,743	14,624,377	15,838,524	8.302 %
Total Liabilities	19,784,504	17,264,251	32,837	25,743	19,817,341	17,289,994	(12.753)%
Net Assets							
Invested in capital assets, Net of related debt	73,973,479	75,908,464	63,019	59,588	74,036,498	75,968,052	2.609 %
Restricted	6,973,078	8,464,190	0	0	6,973,078	8,464,190	21.384 %
Unrestricted	19,755,557	25,477,051	255,787	305,825	20,011,344	25,782,876	28.841 %
Total Net Assets	\$ 100,702,114	\$ 109,849,705	\$ 318,806	\$ 365,413	\$ 101,020,920	\$ 110,215,118	9.101 %

The District's combined net assets were higher on June 30, 2006, than they were on June 30, 2005, increasing by 9.101 percent to \$110,215,118 (See Figure Table A). This improvement in the district's financial position came from its governmental activities, with its net assets increasing \$9,147,591 to \$109,849,705. The net assets of the District's business-type activities also had an increase totaling \$46,607 to \$365,413.

Changes in net assets

The District's total revenues were \$100,914,422. (See Figure B)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(Unaudited - Continued)

Figure B

Changes in Net Assets from Operating Results							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2005	2006	2005	2006	2005	2006	2005-2006
Revenues							
Program revenues:							
Charges for Services	\$ 888,891	\$ 1,056,858	\$ 1,765,661	\$ 1,887,160	\$ 2,654,552	\$ 2,944,018	10.905 %
Operating Grants and Contributions	5,619,723	6,764,857	750,330	771,855	6,370,053	7,536,712	18.315 %
General Revenues:							
Taxes: Property levied - specific	69,959,273	82,308,672	-	-	69,959,273	82,308,672	17.652 %
Grants and Contributions not restricted	8,886,948	2,854,751	-	-	8,886,948	2,854,751	(67.877)%
Capital Grants restricted for debt service	1,500,000	1,500,000	-	-	1,500,000	1,500,000	0 %
Interest	975,584	2,546,754	3,829	11,604	979,413	2,558,358	161.213 %
Other Local Revenue	2,176,045	0	-	-	2,176,045	0	(100.000)%
Miscellaneous	874,195	1,184,306	-	-	874,195	1,184,306	35.474 %
Gain (loss) on Sale of Capital Assets	(643,948)	27,605	-	-	(643,948)	27,605	104.287 %
Total Revenues	90,236,711	98,243,803	2,519,820	2,670,619	92,756,531	100,914,422	8.795 %
Expenses							
Governmental Activities							
Instruction	41,968,805	47,854,598	-	-	41,968,805	47,854,598	14.024 %
Pupil and Instructional Staff	10,623,844	13,296,142	-	-	10,623,844	13,296,142	25.154 %
General, School & Business Administration	6,419,171	7,631,520	-	-	6,419,171	7,631,520	18.902 %
Operation and Maintenance of Plant	8,052,935	9,972,691	-	-	8,052,935	9,972,691	23.839 %
Pupil Transportation	3,844,481	4,628,698	-	-	3,844,481	4,628,698	20.399 %
Central	4,137,175	1,353,835	-	-	4,137,175	1,353,835	(67.276)%
Other Support Services	267,673	320,904	-	-	267,673	320,904	19.887 %
Community Support - Non Instruct. Services	1,172,495	3,401,251	-	-	1,172,495	3,401,251	190.087 %
Debt Service	606,617	444,791	-	-	606,617	444,791	(26.677)%
Other - Food Service	0	0	2,462,803	2,815,794	2,462,803	2,815,794	14.333 %
Total Expenses	77,093,196	88,904,430	2,462,803	2,815,794	79,555,999	91,720,224	15.290 %
Excess (deficiency) before transfers	13,143,515	9,339,373	57,017	(145,175)	13,200,532	9,194,198	(30.350)%
Transfers	(93,625)	(191,782)	93,625	191,782	0	0	-
Increase (decrease) in Net Asset:	13,049,890	9,147,591	150,642	46,607	13,200,532	9,194,198	(30.350)%
Net Assets - Beginning Fiscal Year	87,652,224	100,702,114	168,164	318,806	87,820,388	101,020,920	15.031 %
Net Assets - Ending Fiscal Year	\$100,702,114	\$109,849,705	\$ 318,806	\$ 365,413	\$101,020,920	\$110,215,118	9.101 %

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

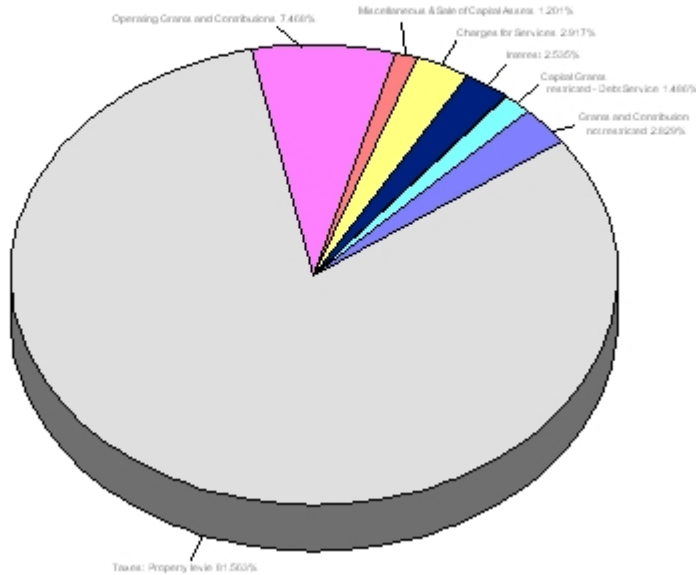
**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

(Unaudited - Continued)

Of total revenues, property taxes of \$82,308,672 accounted for most of the District’s revenue or 81.563 percent. Local, state and federal aid for specific programs contributed \$7,536,712 or 7.468 percent, with charges for service of \$2,944,018 or 2.917 percent, capital grants restricted for debt service of \$1,500,000 or 1.486 percent, grants and contributions not restricted of \$2,854,751 or 2.829 percent. The remainder, \$3,770,269 or 3.736 percent, resulted from interest earnings, other local revenue, and miscellaneous sources.

Sources of Revenues for Fiscal Year 2006

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



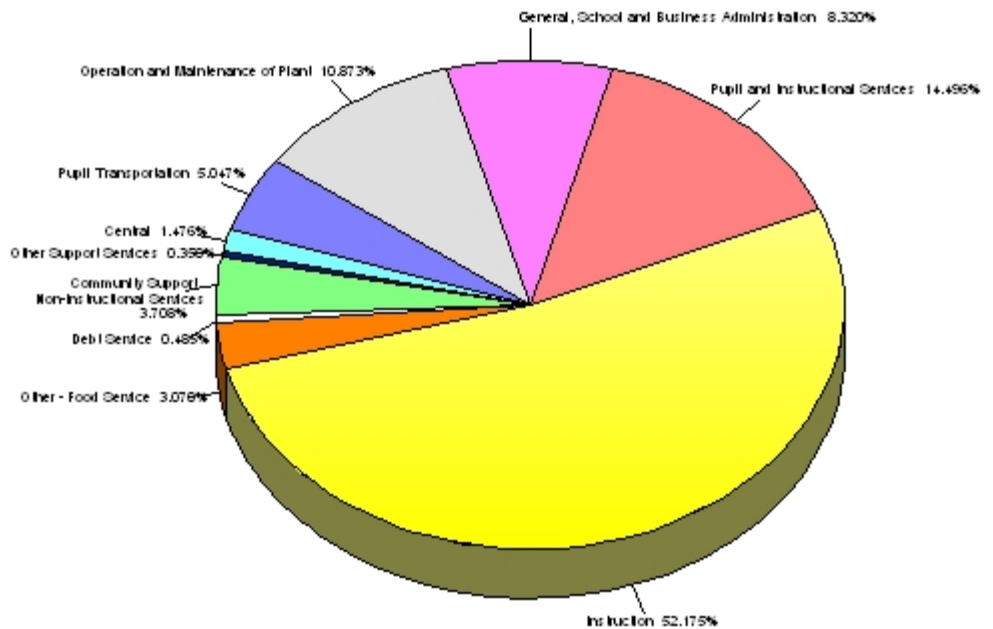
Local, state and federal aid for specific programs contributed \$7,536,712 or 7.468 percent, with charges for service of \$2,944,018 or 2.917 percent, capital grants restricted for debt service of \$1,500,000 or 1.486 percent, grants and contributions not restricted of \$2,854,751 or 2.829 percent. The remainder, \$3,770,269 or 3.736 percent, resulted from interest earnings, other local revenue, and miscellaneous sources.

The total cost of all programs and services were \$91,720,244. Of the District’s expenses,

\$61,150,740 or 66.671 percent are directly related to the areas of instruction, and pupil and instructional staff. Pupil transportation with costs of \$4,628,698 represents 5.047 percent, operational and maintenance of plant services costs totaled \$9,972,691 or 10.873 percent of total expenses. The areas of administration: general, school and business, had expenses totaling \$7,631,520 or 8.320 percent. Central, which is the office of human resources and the costs associated with the self-funded health insurance program, totaled \$1,353,835 or 1.476 percent of total expenses, debt service expenses totaled \$444,791 or .485 percent. Other support services and community support expenses totaling \$3,722,155 represent 4.058 percent while the enterprise fund-food service totaled \$2,815,794 or 3.070 percent of total District expenses.

Expenses for Fiscal Year 2006

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, 2006**

(Unaudited - Continued)

Total revenues surpassed expenses, increasing net assets by \$9,194,198. The governmental activities contributed to the District's financial health this fiscal year while the business-type activities of the Enterprise Fund-Food Service ended with a reduction of \$145,175 to its net assets

Governmental Activities

Revenues

Specific revenue source changes for 2005-2006 compared to 2004-2005 were:

- From local and county sources, an additional \$15,663,858 was received in 2005-2006 over 2004-2005. Of these increases 77.226 percent or \$12,096,542 came from an increased assessed valuation; 9.401 percent or \$1,472,561 in interest revenue; 10.899 or \$1,707,203 of this increase happened in the District's Capital Construction-Major Fund and was from insurance proceeds due to hail damage at numerous District locations in Gillette and tornado damage in Wright, the remaining 2.474 percent increase came from Other Revenue Sources which include Rentals, Charges for Services, Contributions and Donations, and Tuition and Fees.
- A reduction from the State of Wyoming of \$2,773,878; a decrease of \$5,624,984 for Major Maintenance funding, combined with increases in Capital Projects of \$565,436, General Fund of \$2,274,783 and Special Revenue K-Funds of \$10,887.
- From federal sources, an additional \$706,111 was received for new and also 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
	2005	2006		2005	2006	
Instruction	\$ 41,968,805	\$ 47,854,598	14.024 %	\$ 37,737,413	\$ 43,215,887	14.517 %
Pupil and Instructional Staff	10,623,844	13,296,142	25.154 %	9,391,518	11,495,437	22.400 %
General, School and Business Administration	6,419,171	7,631,520	18.886 %	6,196,982	7,359,706	18.763 %
Operation and Maintenance of Plant	8,052,935	9,972,691	23.839 %	8,044,435	9,945,260	23.629 %
Pupil Transportation	3,844,481	4,628,698	20.399 %	3,834,828	4,623,284	20.560 %
Central	4,137,175	1,353,835	(67.276)%	4,087,903	1,300,162	(68.195)%
Other Support Services	267,673	320,904	19.887 %	91,904	134,256	46.083 %
Operation on Non- Instructional Service - Community	1,172,495	3,401,251	190.086 %	592,982	2,563,932	332.379 %
Debt Service	606,617	444,791	(26.677)%	606,617	444,791	26.677 %
Total	\$ 77,093,196	\$ 88,904,430	15.321 %	\$ 70,584,582	\$ 81,082,715	14.873 %

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006 (Unaudited - Continued)

Governmental Activities - Expenses (continued)

Total cost of governmental activities for 2005-2006 totaled \$88,904,430. 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 \$6,764,857 and Charges for Services of \$1,056,858 are deducted bringing the total net cost of services to \$81,082,715.

Specific fund expenditure changes before GASB 34 adjustments for 2005-2006 compared to 2004-2005 showed:

- Special revenue fund expenditures in total increased by \$2,089,453. Six of the seven special revenue fund groupings had increased spending; the "K" and "U" Funds \$1,483,679, Technology \$156,540, Building Funds \$121,332 Sick buy back fund \$272,183, Campbell County Community Public Recreation District \$52,989 and an additional \$727,218 was due to increased awards to the District from federal and state sources. Decreased funding from the State of Wyoming for fiscal year 2006 for major maintenance project expenditures resulted in a reduction of \$724,488.
- The general fund expenditures increased by \$11,464,324. Spending in areas directly in contact with students increased \$8,530,199; instruction by \$6,300,367 and pupil and instructional staff by \$2,229,832. Administrative and Business areas increased \$1,139,113, Maintenance \$930,791, Transportation Services \$784,217, Community Services \$142,966, Capital Outlay \$82,433, with Other Support increasing by \$34,686. Spending areas where decreases were found were in the Debt Service of \$95,690 and in the Central area of \$84,391.
- An overall increase in Capital Construction Fund spending of \$345,668.

Business-Type Activities

Revenues of the District's business-type activities increased 5.985 percent to \$2,670,619 and expenses rose 14.333 percent to \$2,815,794. (refer to Figure B) Food Service expenses exceeded revenues by \$145,175, before transfers. When including transfers net assets of the business-type activities increased \$46,607 or 14.619 percent.

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 \$10,323,204 which were to be covered by contingency funding, the actual results for the year show a \$6,224,213 surplus. The actual revenues were \$85,307,968 or \$2,625,082 higher than expected. Local and County sources brought in an additional \$3,944,202 while State and Federal sources brought in \$1,319,120 less than budgeted.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(Unaudited - Continued)**

The actual General Fund expenditures were \$74,646,324 or \$11,297,535 below budget. With the anticipated budget containing a \$571,907 contingency actual expenditures show an additional savings \$10,725,628. The General Fund expenditures had no areas, which exceed its budget appropriations for fiscal year 2005 - 2006.

Capital Asset and Debt Administration

Capital Assets

By the end of June 30, 2006 the District’s governmental activities had invested \$153,288,281 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 \$2,600,473 or 1.726% from fiscal year 2004-2005. Total depreciation expense for the year was \$4,150,273 which brings total accumulated depreciation to \$72,210,714 for fiscal year ending June 30, 2006. (See Figure D)

Governmental Activities in Capital Assets had an increase in land holdings of a \$739,193; net increase totaling \$862,042 in the areas of Buildings and Buildings Improvements, and Improvements other than Buildings; net increase of \$765,738 for new vehicles and new capital asset equipment.

At fiscal year end, the District had contractual purchase commitments approximately totaling \$4,835,000, 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
	2005	2006	2005	2006	2005	2006	2005-2006
Land	\$3,293,261	\$4,032,904	-	-	\$3,293,261	\$4,032,904	22.459 %
Buildings and Building Improvements	72,148,583	69,800,377	-	-	72,148,583	69,800,377	(3.255)%
Improvements other than Buildings	1,717,938	1,891,037	-	-	1,717,938	1,891,037	10.076 %
Equipment and Vehicles	4,742,663	4,971,455	63,019	59,588	4,805,682	5,031,043	(4.690)%
Construction in Progress	148,744	382,244	-	-	148,744	382,244	156.981 %
Total	\$82,051,189	\$81,078,017	\$ 63,019	\$ 59,588	\$82,114,208	\$81,137,605	(1.189)%

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006
(Unaudited - Continued)**

Debt Administration / Long Term Debt

On June 30, 2006, the District had \$5,563,175 in general obligation bonds and other long-term debt outstanding or a reduction of 37.030 % from June 30, 2005 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, 2006, the District’s overall legal debt limit was \$366,052,749 leaving a legal debt margin of \$362,657,749 available.

Figure E

Outstanding Long Term Debt			
	Total School District		Total Percentage Change
	2005	2006	2005-2006
General obligation bonds & note	\$ 6,255,000	\$ 3,395,000	(45.723) %
Other general obligation debt - Capital leases	1,822,710	1,774,103	(2.667) %
Other general obligation debt - Sick Leave Payable	756,877	394,072 anticipated	(47.935) %
Total	\$8,834,587	\$5,563,175	(37.030) %

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:

- Campbell County is incurring an economic boom in its energy industry businesses. The increase of new workers with their families to the area has given the School District an influx of students reversing a ten-year decline in student enrollment. The District’s Average Daily Membership increased by 209 students for fiscal year 2006 from fiscal year 2005. It is anticipated the increased student population trend will continue for at least the next five years, maybe longer. Some of the District’s elementary schools have reached their maximum number of students in certain grade levels causing some students to be bused out of their normal attendance areas to other elementary schools capable of handling the additional numbers. With the District’s elementary schools quickly reaching their capacity, the Administration is working on a capital facility plan to address current and anticipated future enrollment increases. Short term plans include the expansion of Rawhide elementary to hold more students. The District has also been given approval through the State of Wyoming’s School Facilities Commission to replace two of its current elementary schools.
- 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 for the first time in fiscal year 2005, giving the District an additional \$5,886,543 for fiscal year 2006's general fund. The maximum recapture limitation was again reached during fiscal year 2006 giving the District \$13,466,219 for the fiscal year 2007's general fund budget. A proposed Wyoming Constitutional Amendment B, which will be voted on in November 2006, if passed, will remove the maximum recapture limit thus causing all recapture monies to go directly to the state. The additional monies the District has received from the maximum recapture limitation will no longer be available thus forcing the District to spend general fund money within the fiscal year to stay under the legislative mandated 15 percent maximum cash reserve
- 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

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2006 (Unaudited - Continued)

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 funding amount. Since 1987 Campbell County has paid into the State of Wyoming's School Foundation Program more than \$741,498,722; \$435,138,145 from the 12 mill county assessment and \$306,360,577 in recapture payments from Campbell County School District No.1. The State's funding formula is and has been a major issue facing all Wyoming school districts. During the 2006 legislative session the Wyoming school foundation funding formula was recalibrated and this new formula will allow Campbell County School District to receive an increase for its general fund of approximately 15 million dollars in fiscal year 2007 compared to fiscal year 2006.

- 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, 2006, litigation is still pending and the Wyoming supreme court has scheduled a hearing for October 18, 2006.
- In June of 2004, the Governmental Accounting Standards Board (GASB) issued a new standard requiring governments to place other post employment benefits on their books. Before this, these obligations were reported on a cash basis. Under GASB Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions, all expenses and liabilities will need to be accrued over the life of an employee's service. Governments that fail to fully fund these new expenses will be required to post a liability to their books. In compliance with the new standard the District's Administration will be reviewing its current retirement and health benefits policies and procedures to determine the full financial cost and if needed make policy changes.

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, 2006

	Primary Government			Component
	Governmental	Business-	Total	Unit
	Activities	Type		BOCHES
		Activities		
ASSETS				
Cash	\$ 980,372	\$ 12,296	\$ 992,668	\$ 407,882
Cash With Fiscal Agent	2,296,280	-	2,296,280	-
Temporary Investments	39,555,539	276,381	39,831,920	326,431
Taxes Receivable (net of allowance for uncollectibles)	1,368,656	-	1,368,656	17,113
Interest Receivable	24,624	219	24,843	-
Other Accounts Receivable	160,231	3,784	164,015	-
Due From Other Governments	865,656	-	865,656	-
Inventories	785,031	38,888	823,919	-
Capital Assets:				
Non-depreciable Capital Assets	4,414,698	-	4,414,698	-
Depreciable Capital Assets, Net	76,662,869	59,588	76,722,457	-
Total Assets	\$ 127,113,956	\$ 391,156	\$ 127,505,112	\$ 751,426
LIABILITIES				
Accounts Payable	\$ 388,297	\$ 25,743	\$ 414,040	\$ 824
Accrued Compensation	5,698,094	-	5,698,094	-
Contracts and Retainage Payable	68,182	-	68,182	-
State Foundation Payable	2,126,400	-	2,126,400	-
Estimated Claims Payable	994,000	-	994,000	-
Deferred Revenue	1,934,207	-	1,934,207	-
Due To Other Entities	491,896	-	491,896	-
Noncurrent Liabilities:				
Due Within One Year	4,111,705	-	4,111,705	-
Due Within More Than One Year	1,451,470	-	1,451,470	-
Total Liabilities	\$ 17,264,251	\$ 25,743	\$ 17,289,994	\$ 824
NET ASSETS				
Invested in Capital Assets,				
Net of Related Debt	\$ 75,908,464	\$ 59,588	\$ 75,968,052	\$ -
Restricted for:				
Debt Service	2,296,280	-	2,296,280	-
Capital Projects	6,167,910	-	6,167,910	-
Unrestricted	25,477,051	305,825	25,782,876	750,602
Total Net Assets	\$ 109,849,705	\$ 365,413	\$ 110,215,118	\$ 750,602

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2006

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction:			
Regular	\$ 36,126,744	\$ 419,887	\$ 2,331,568
Special Education	9,553,065	41,747	1,696,608
Vocational	2,166,194	-	140,306
Adult/Continuing	8,595	-	8,595
Support Services:			
Pupil	8,048,573	254,383	546,729
Instructional Staff	5,247,569	9,597	989,996
General Administration	1,190,616	2,967	9,024
School Administration	4,699,811	112,726	3,795
Business	1,741,093	27,897	115,405
Operation and Maintenance of Plant	9,972,691	12,067	15,364
Pupil Transportation	4,628,698	5,414	-
Central	1,353,835	-	53,673
Other Support Services	320,904	-	186,648
Operation of Non-Instructional Services:			
Community Services	3,401,251	170,173	667,146
Debt Service:			
Interest on Long Term Debt	444,791	-	-
Total Governmental Activities	\$ 88,904,430	\$ 1,056,858	\$ 6,764,857
Business-type Activities:			
Food Service	\$ 2,815,794	\$ 1,887,160	\$ 771,855
Total Primary Government	\$ 91,720,224	\$ 2,944,018	\$ 7,536,712
Component Unit:			
BOCHES	\$ 2,452,731	\$ -	\$ -
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			
Miscellaneous			
Gain 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	
\$ (33,375,289)	\$ -	\$ (33,375,289)	\$ -	
(7,814,710)	-	(7,814,710)	-	
(2,025,888)	-	(2,025,888)	-	
-	-	-	-	
(7,247,461)	-	(7,247,461)	-	
(4,247,976)	-	(4,247,976)	-	
(1,178,625)	-	(1,178,625)	-	
(4,583,290)	-	(4,583,290)	-	
(1,597,791)	-	(1,597,791)	-	
(9,945,260)	-	(9,945,260)	-	
(4,623,284)	-	(4,623,284)	-	
(1,300,162)	-	(1,300,162)	-	
(134,256)	-	(134,256)	-	
(2,563,932)	-	(2,563,932)	-	
(444,791)	-	(444,791)	-	
\$ (81,082,715)	\$ -	\$ (81,082,715)	\$ -	
\$ -	\$ (156,779)	\$ (156,779)	\$ -	
\$ (81,082,715)	\$ (156,779)	\$ (81,239,494)	\$ -	
\$ -	\$ -	\$ -	\$ (2,452,731)	
\$ 78,284,359	\$ -	\$ 78,284,359	\$ 2,240,745	
183,135	-	183,135	-	
3,841,178	-	3,841,178	-	
2,854,751	-	2,854,751	-	
1,500,000	-	1,500,000	-	
2,546,754	11,604	2,558,358	17,313	
1,184,306	-	1,184,306	-	
27,605	-	27,605	-	
(191,782)	191,782	-	-	
\$ 90,230,306	\$ 203,386	\$ 90,433,692	\$ 2,258,058	
\$ 9,147,591	\$ 46,607	\$ 9,194,198	\$ (194,673)	
100,702,114	318,806	101,020,920	945,275	
\$ 109,849,705	\$ 365,413	\$ 110,215,118	\$ 750,602	

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006**

	General Fund	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 507,594	\$ -	\$ 460,233	\$ 967,827
Cash With Fiscal Agent	-	-	2,296,280	2,296,280
Temporary Investments	24,696,927	6,164,246	7,008,827	37,870,000
Taxes Receivable (net of allowance for uncollectibles)	1,317,823	89	50,744	1,368,656
Interest Receivable	19,106	2,507	1,795	23,408
Other Accounts Receivable	19,582	139,523	1,126	160,231
Due From Other Funds	601,947	53	2,049,193	2,651,193
Due From Other Governments	265,980	-	599,676	865,656
Inventories	784,201	625	205	785,031
Total Assets	\$ 28,213,160	\$ 6,307,043	\$ 12,468,079	\$ 46,988,282
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 116,453	\$ -	\$ 57,974	\$ 174,427
Accrued Compensation	5,698,094	-	-	5,698,094
Contracts and Retainage Payable	-	9,430	58,752	68,182
State Foundation Payable	2,126,400	-	-	2,126,400
Due To Other Funds	4,985,907	-	601,947	5,587,854
Deferred Revenue	618,293	89	27,760	646,142
Due To Other Entities	491,896	-	-	491,896
Total Liabilities	\$ 14,037,043	\$ 9,519	\$ 746,433	\$ 14,792,995
FUND BALANCES				
Fund Balances				
Reserved for:				
Encumbrances	\$ 217,127	\$ -	\$ 723,195	\$ 940,322
Debt Service	-	-	2,296,280	2,296,280
Capital Projects	-	4,384,188	1,783,722	6,167,910
Unreserved:				
Undesignated, Reported in:				
General Fund	13,958,990	-	-	13,958,990
Capital Construction	-	1,913,336	-	1,913,336
Special Revenue Funds	-	-	6,918,449	6,918,449
Total Fund Balances	\$ 14,176,117	\$ 6,297,524	\$ 11,721,646	\$ 32,195,287
Total Liabilities and Fund Balances	\$ 28,213,160	\$ 6,307,043	\$ 12,468,079	\$ 46,988,282

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, 2006

Total Governmental Fund Balances	\$ 32,195,287
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.	625,271
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Non-depreciable capital assets	4,414,698
Depreciable assets	148,873,583
Less: accumulated depreciation	<u>(72,210,714)</u>
	81,077,567
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:	3,428,091
Unexpended hail and tornado 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.	(1,913,336)
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	3,395,000
Capital Leases Payable	1,774,103
Sick Leave Payable	<u>394,072</u>
	(5,563,175)
Net Assets of Governmental Activities	\$ 109,849,705

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, 2006

(Page 1 of 2)

	General Fund	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Local Sources:				
Taxes	\$ 63,299,488	\$ 64	\$ 4,071,645	\$ 67,371,197
Interest	2,040,134	205,468	158,255	2,403,857
Tuition and Fees	81,346	-	446,977	528,323
Rentals	17,179	-	30,575	47,754
Charges for Services	5,414	-	475,367	480,781
Contributions and Donations	62,580	-	209,911	272,491
Miscellaneous	90,046	1,707,203	420,000	2,217,249
Total Local Sources	\$ 65,596,187	\$ 1,912,735	\$ 5,812,730	\$ 73,321,652
County Sources:				
Taxes	\$ 15,987,936	\$ -	\$ 2,970	\$ 15,990,906
State Sources:				
Intergovernmental	\$ 3,489,656	\$ -	\$ 801,196	\$ 4,290,852
Federal Sources:				
Intergovernmental	\$ 55,289	\$ -	\$ 6,500,976	\$ 6,556,265
Total Revenues	\$ 85,129,068	\$ 1,912,735	\$ 13,117,872	\$ 100,159,675
EXPENDITURES				
Current:				
Instruction:				
Regular	\$ 29,910,951	\$ -	\$ 2,197,708	\$ 32,108,659
Special Education	8,214,663	-	1,371,523	9,586,186
Vocational Education	2,018,522	-	147,672	2,166,194
Adult/Continuing	-	-	8,595	8,595
Support Services:				
Pupil	7,293,412	-	783,366	8,076,778
Instructional Staff	4,128,184	-	1,138,147	5,266,331
General Administration	1,060,284	-	20,063	1,080,347
School Administration	4,568,354	-	136,557	4,704,911
Business	1,630,915	-	137,100	1,768,015
Operation and Maintenance of Plant	7,804,453	-	1,513,220	9,317,673
Pupil Transportation	4,628,698	-	-	4,628,698
Central	1,211,272	-	471,207	1,682,479
Other Support	149,801	-	171,103	320,904
Operation of Non-Instructional Service:				
Community Services	176,746	-	3,708,441	3,885,187
Capital Outlay	853,609	861,938	1,478,230	3,193,777
Debt service:				
Interest	94,244	-	350,547	444,791
Principal	902,216	-	2,860,000	3,762,216
Total Expenditures	\$ 74,646,324	\$ 861,938	\$ 16,493,479	\$ 92,001,741
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 10,482,744	\$ 1,050,797	\$ (3,375,607)	\$ 8,157,934

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS**Year Ended June 30, **2006**

(Page 2 of 2)

	General Fund	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 9,800	\$ 1,163,050	\$ 8,045,509	\$ 9,218,359
Transfers (Out)	(5,313,492)	(9,800)	(4,423,559)	(9,746,851)
Proceeds From Capital Lease	853,609	-	-	853,609
Sale of Capital Assets	12,652	-	-	12,652
Total Other Financing Sources (Uses)	\$ (4,437,431)	\$ 1,153,250	\$ 3,621,950	\$ 337,769
Net Change in Fund Balances	\$ 6,045,313	\$ 2,204,047	\$ 246,343	\$ 8,495,703
FUND BALANCES, BEGINNING JULY 1	8,130,804	4,093,477	11,475,303	23,699,584
FUND BALANCES, ENDING JUNE 30	\$ 14,176,117	\$ 6,297,524	\$ 11,721,646	\$ 32,195,287

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, 2006

Net Change in Fund Balances - Total Governmental Funds	\$ 8,495,703
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.	(1,053,431)
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.	(967,675)
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.	(5,947)
Hail and tornado 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.	(1,032,943)
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(853,609)
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 of the internal service fund is reported with governmental activities.	479,607
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,860,000
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.	902,216
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.	323,670
Change in Net Assets of Governmental Activities	\$ 9,147,591

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, 2006

(Page 1 of 2)

	Budgeted Amounts		Actual *	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Taxes	\$ 50,177,885	\$ 63,694,206	\$ 63,347,388	\$ (346,818)
Interest	931,000	963,000	2,040,134	1,077,134
Tuition and Fees	80,000	80,000	81,346	1,346
Rentals	30,000	30,000	17,179	(12,821)
Charges for Services	20,000	20,000	5,414	(14,586)
Contributions and Donations	62,523	102,770	62,580	(40,190)
Miscellaneous	60,393	60,393	87,746	27,353
Total Local Revenues	\$ 51,361,801	\$ 64,950,369	\$ 65,641,787	\$ 691,418
County Sources:				
Taxes	\$ 12,868,452	\$ 12,868,452	\$ 16,121,236	\$ 3,252,784
State Sources:				
Intergovernmental	\$ 9,222,327	\$ 4,799,065	\$ 3,489,656	\$ (1,309,409)
Federal Sources:				
Intergovernmental	\$ 65,000	\$ 65,000	\$ 55,289	\$ (9,711)
Total Revenues	\$ 73,517,580	\$ 82,682,886	\$ 85,307,968	\$ 2,625,082
EXPENDITURES				
Current:				
Instruction:				
Regular	\$ 37,031,841	\$ 34,195,398	\$ 29,910,951	\$ 4,284,447
Special Education	8,055,587	9,313,594	8,214,663	1,098,931
Vocational Education	5,070	2,018,522	2,018,522	-
Support Services:				
Pupil	8,905,429	7,771,094	7,293,412	477,682
Instructional Staff	4,039,316	4,342,069	4,128,184	213,885
General Administration	1,898,659	1,359,095	1,060,284	298,811
School Administration	4,337,917	4,626,970	4,568,354	58,616
Business	1,526,431	1,648,514	1,630,915	17,599
Operation and Maintenance of Plant	8,255,435	7,961,012	7,804,453	156,559
Pupil Transportation	4,579,032	4,948,342	4,628,698	319,644
Central	1,842,930	5,477,690	1,211,272	4,266,418
Other Support	104,123	162,880	149,801	13,079
Operation of Non-Instructional Services				
Community Services	977,315	260,956	176,746	84,210
Capital Outlay	853,609	853,609	853,609	-
Debt service:				
Interest	94,244	94,244	94,244	-
Principal	909,870	909,870	902,216	7,654
Total Expenditures	\$ 83,416,808	\$ 85,943,859	\$ 74,646,324	\$ 11,297,535
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,899,228)	\$ (3,260,973)	\$ 10,661,644	\$ 13,922,617

(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, 2006

(Page 2 of 2)

	Budgeted Amounts		Actual *	Variance With Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -	\$ 9,800	\$ 9,800	\$ -
Transfers (Out)	(1,290,585)	(7,938,640)	(5,313,492)	2,625,148
Proceeds from Capital Lease	853,609	853,609	853,609	-
Sale of Capital Assets	13,000	13,000	12,652	(348)
Total Other Financing Sources	\$ (423,976)	\$ (7,062,231)	\$ (4,437,431)	\$ 2,624,800
Net Change in Fund Balance	\$ (10,323,204)	\$ (10,323,204)	\$ 6,224,213	\$ 16,547,417
FUND BALANCE, BEGINNING JULY 1, 2005	10,078,304	10,078,304	10,078,304	-
FUND BALANCE, ENDING JUNE 30, 2006	\$ (244,900)	\$ (244,900)	\$ 16,302,517	\$ 16,547,417

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
ENTERPRISE FUND**

June 30, 2006

	<u>Business-Type Activities</u>
	Food Service
ASSETS	
Current Assets	
Cash	\$ 12,296
Temporary Investments	276,381
Interest Receivable	219
Accounts Receivable	3,784
Inventories	38,888
Total Current Assets	\$ 331,568
Capital Assets, Net	\$ 59,588
Total Assets	\$ 391,156
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 25,743
NET ASSETS	
Invested in Capital Assets	\$ 59,588
Unrestricted	305,825
Total Net Assets	\$ 365,413

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUND**Year Ended June 30, **2006**

	Business-Type Activities
	Food Service
OPERATING REVENUES	
Charges for Services	\$ 1,887,160
OPERATING EXPENSES	
Salaries	\$ 938,076
Fringe Benefits	273,470
Purchased Services	14,056
Materials and Supplies	13,528
Direct Food Costs	1,557,678
Depreciation	11,677
Other	7,309
Total Operating Expenses	\$ 2,815,794
Operating (Loss)	\$ (928,634)
NONOPERATING REVENUES (EXPENSES)	
Donated Commodities	\$ 84,173
Operating Grants	687,682
Interest	11,604
Total Nonoperating Revenues	\$ 783,459
Income Before Transfers	\$ (145,175)
TRANSFERS	
Transfers In	191,782
Change in Net Assets	\$ 46,607
NET ASSETS, BEGINNING JULY 1	318,806
NET ASSETS, ENDING JUNE 30	\$ 365,413

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF CASH FLOWS

ENTERPRISE FUND

Year Ended June 30, 2006

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,891,372
Cash Payments to Employees for Services	(938,076)
Cash Payments for Employee Benefits	(273,470)
Cash Payments for Goods and Services	(1,528,097)
Net Cash (Used in) Operating Activities	\$ (848,271)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Grants Received	\$ 687,682
Transfers In	191,782
Net Cash Provided by Noncapital Financing Activities	\$ 879,464
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for Capital Acquisitions	\$ (8,246)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	\$ 11,456
Proceeds from Maturities of Investments	982,409
Purchase of Investments	(1,026,119)
Net Cash (Used In) Investing Activities	\$ (32,254)
Net (Decrease) in Cash	\$ (9,307)
Cash, Beginning July 1	21,603
Cash, Ending June 30	\$ 12,296
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities	
Operating (Loss)	\$ (928,634)
Adjustments:	
Depreciation	11,677
Donated Commodities Used During Year	84,173
(Increase) Decrease in Assets:	
Accounts Receivable	4,212
Inventories	(12,605)
(Decrease) in Liabilities:	
Accounts Payable	(7,094)
Net Cash (Used in) Operating Activities	\$ (848,271)

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET ASSETS
INTERNAL SERVICE FUND**

June 30, 2006

	Self-Insurance Health Fund
ASSETS	
CURRENT ASSETS	
Cash	\$ 12,545
Temporary Investments	1,685,539
Interest Receivable	1,216
Due From Other Funds	2,936,661
Total Assets	\$ 4,635,961
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	\$ 213,870
Estimated Claims Payable	994,000
Total Liabilities	\$ 1,207,870
NET ASSETS	
Unrestricted	\$ 3,428,091

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, 2006

	Self-Insurance Health Fund
OPERATING REVENUES	\$ 6,876,619
OPERATING EXPENSES	
Salaries	\$ 27,400
Fringe Benefits	9,631
Claims and Contractual Services	6,839,588
Total Operating Expenses	\$ 6,876,619
Operating Income (Loss)	\$ -
NONOPERATING REVENUES	
Interest	\$ 142,897
Income Before Transfers	\$ 142,897
TRANSFERS	
Transfers In	336,710
Changes In Net Assets	\$ 479,607
NET ASSETS, BEGINNING JULY 1	2,948,484
NET ASSETS, ENDING JUNE 30	\$ 3,428,091

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND**

Year Ended June 30, 2006

	Self-Insurance Health Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 7,003,223
Cash Payments to Employees For Services	(27,400)
Cash Payments for Employee Benefits	(9,631)
Cash Payments for Goods and Services	(6,818,445)
Net Cash Provided By Operating Activities	\$ 147,747
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	\$ 336,710
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	\$ 142,035
Proceeds from Maturities of Investments	7,151,620
Purchase of Investments	(7,774,363)
Net Cash (Used In) Investment Activities	\$ (480,708)
Net Increase in Cash	\$ 3,749
Cash, Beginning July 1	8,796
Cash, Ending June 30	\$ 12,545
Reconciliation of Operating Income (Loss) to Net Cash Provided By Operating Activities	
Decrease in Assets:	
Other Accounts Receivable	\$ 126,604
Increase in Liabilities:	
Accounts Payable	16,643
Estimated Claims Payable	4,500
Net Cash Provided By Operating Activities	\$ 147,747

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

FIDUCIARY FUNDS

June 30, 2006

	Agency Funds
ASSETS	
Cash	\$ 22,299
Temporary Investments	2,162,571
Interest Receivable	1,348
Total Assets	\$ 2,186,218
LIABILITIES	
Due to Student Groups	\$ 180,698
Flexible Benefits Payable	22,299
Due To Other Entity	253,843
Early Retirement Awards Payable	1,729,378
Total Liabilities	\$ 2,186,218

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 seven 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 *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. During the current year the District incurred hail and tornado damages. The resulting insurance proceeds and related repair expenses are being accounted for in this fund.

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 funds consist of an enterprise fund and an internal service 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. 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, Capital Construction 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 2005 and prior years which are collectible during the year ended June 30, 2006. 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 services: 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	\$ 85,307,968
Adjustment for State Foundation Program payable at June 30, 2005	1,947,500
Adjustment for State Foundation Program payable at June 30, 2006	(2,126,400)
Generally accepted accounting principles basis	\$ 85,129,068

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, 2006.

Investments - As of June 30, 2006 the District had the following investments:

Investment Type	Fair Value	Credit Quality Ratings ⁽¹⁾	Weighted Average Maturity (Days)
Primary Government			
Money Market Savings Account	\$ 1,873,223	N/A	N/A
Wyoming Government Investment Fund	1,464,962	N/A	39
Wyoming State Investment Pool	36,493,735	N/A	1
Total Primary Government Investments	\$39,831,920		
Fiduciary Funds			
Wyoming State Investment Pool	\$ 2,162,571	N/A	1
Component Unit			
Wyoming Government Investment Fund	\$ 326,431	N/A	39
Total Investments	\$42,320,922		

⁽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	Capital Construction Fund	Non-Major Funds	Total
Taxes Receivable	\$ 3,176,868	\$ 1,011	\$ 131,910	\$ 3,309,789
Less: Allowance for uncollectibles	(1,859,045)	(922)	(81,166)	(1,941,133)
Taxes Receivable, Net	\$ 1,317,823	\$ 89	\$ 50,744	\$ 1,368,656

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)	\$ 597,669
Deferred grant revenue (General Fund)	20,624
Property taxes receivable (Capital Construction Fund)	89
Property taxes receivable (Non-Major Funds)	27,513
Deferred grant revenue (Non-Major Funds)	247
Total Deferred Revenue for Governmental Funds	\$ 646,142

C. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Governmental Activities				
Non-depreciable capital assets:				
Land	\$ 3,293,261	\$ 739,193	\$ -	\$ 4,032,454
Construction in progress	148,744	501,182	(267,682)	382,244
Total non-depreciable capital assets	\$ 3,442,005	\$ 1,240,375	\$ (267,682)	\$ 4,414,698
Depreciable capital assets:				
Buildings and building improvements	\$ 120,429,902	\$ 480,322	\$ -	\$ 120,910,224
Improvements other than buildings	13,256,037	381,720	-	13,637,757
Equipment and vehicles	13,559,864	1,347,863	(582,125)	14,325,602
Total depreciable capital assets	\$ 147,245,803	\$ 2,209,905	\$ (582,125)	\$ 148,873,583
Less accumulated depreciation for:				
Buildings and building improvements	\$ (48,281,319)	\$(2,828,528)	\$ -	\$ (51,109,847)
Improvements other than buildings	(11,538,099)	(208,621)	-	(11,746,720)
Equipment and vehicles	(8,817,201)	(1,113,124)	576,178	(9,354,147)
Total accumulated depreciation	\$ (68,636,619)	\$(4,150,273)	\$ 576,178	\$ (72,210,714)

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

	Balance June 30, 2005	Additions	Deductions	Balance June 30, 2006
Total depreciable capital assets, net	\$ 78,609,184	\$ (1,940,368)	\$ (5,947)	\$ 76,662,869
Governmental activities capital assets, net	\$ 82,051,189	\$ (699,993)	\$ (273,629)	\$ 81,077,567
Business-type Activities				
Depreciable capital assets:				
Equipment and vehicles	\$ 552,674	\$ 8,246	\$ (2,233)	\$ 558,687
Less accumulated depreciation	(489,655)	(11,677)	2,233	(499,099)
Total depreciable capital assets, net	\$ 63,019	\$ (3,431)	\$ -	\$ 59,588

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

Governmental Activities	
Regular instruction	\$ 4,040,437
General administration	109,836
Total depreciation expense - governmental activities	\$ 4,150,273
Business-type Activities	
Food service	\$ 11,677

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 \$4,000,000 and will be funded by the Major Maintenance Special Revenue Fund and the Major Capital Projects Fund. Contracts signed but not yet started approximated \$835,000 at June 30, 2006.

D. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2006 are as follows:

	Receivable	Payable
Major Funds:		
General Fund	\$ 601,947	\$ 4,985,907
Capital Construction Fund	53	-
Total Major Funds	\$ 602,000	\$ 4,985,907

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

	Receivable	Payable
Non-Major Funds:		
Special Revenue Funds:		
"K" Fund	\$ 265,826	\$ -
"U" Fund	1,781,060	
Major Maintenance	-	2,214
Technology Fund	2,102	-
Sick Leave	100	-
Carl Perkins	-	27,599
Title I	-	108,312
Title I - Neglected and Delinquent	-	11,527
Title I - Even Start	-	13,664
Title V	-	1,229
Drug Free Schools	-	21,009
Title II	-	90,615
Part B	-	174,450
Title III	-	2,931
21 st Century SIG	-	11,524
Capital Project Funds:		
Depreciation Reserve	105	-
Major Capital Projects	-	135,835
Minor Capital Projects	-	1,038
Total Non-Major Funds	\$ 2,049,193	\$ 601,947
Internal Service Fund	\$ 2,936,661	\$ -
	\$ 5,587,854	\$ 5,587,854

Interfund Transfers:

	General Fund	Capital Construction	Food Service	Internal Service Fund	Nonmajor Governmental	Total
Transfers In	\$ 9,800	\$ 1,163,050	\$ 191,782	\$ 336,710	\$ 8,045,509	\$ 9,746,851
Transfers (Out)	(5,313,492)	(9,800)	-	-	(4,423,559)	(9,746,851)
Net interfund transfers	\$ (5,303,692)	\$ 1,153,250	\$ 191,782	\$ 336,710	\$ 3,621,950	\$ -

The primary purpose of the material interfund transfers are: 1) the General Fund made transfers to the Capital Construction Fund and the Depreciation Reserve Fund for reserve of future fixed asset replacement and repair, 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) the General Fund made a transfer to the Sick Leave Fund to fund a portion of the District's sick leave buyback policy, and 4) the Campbell County Community Public Recreation District (CCPRD) provided operating income to the "U" 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 \$12,595,000 at June 30, 2006.

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:

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, 2006 is \$-0-. Amounts not due at year end approximating \$394,000, 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 \$282,000 at June 30, 2006, 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, 2006.

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	\$ 3,530,838
Less: Accumulated depreciation	(951,640)
Total	\$ 2,579,198

Payments on these obligations are being made by the General Fund. Annual debt service requirements as of June 30, 2006 are presented below:

Year Ending June 30,	Obligations Under Capital Lease
2007	\$ 776,834
2008	569,847
2009	358,190
2010	188,686
Total lease payments	\$ 1,893,557
Less interest portion	(119,454)
Present value of net minimum lease payments	\$ 1,774,103

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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 in the next year.

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
2007	\$ 3,395,000	\$ 191,817

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 remaining funding schedule is as follows:

Year Ending June 30,	AML Payment
2007	\$ 1,870,000

Long-term liability activity for the year ended June 30, 2006 was as follows:

	Balance June 30, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 6,255,000	\$ -	\$ (2,860,000)	\$ 3,395,000	\$ 3,395,000
Capital leases	1,822,710	853,609	(902,216)	1,774,103	716,705
Sick Leave Payable	756,877	-	(362,805)	394,072	-
Long-term liabilities	\$ 8,834,587	\$ 853,609	\$ (4,125,021)	\$ 5,563,175	\$ 4,111,705

H. Legal Debt Margin

At June 30, 2006, 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	\$3,660,527,493
Debt limit - 10% of total assessed valuation	\$ 366,052,749
General obligation bonded debt outstanding	\$ 3,395,000
Unused legal debt capacity	\$ 362,657,749

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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 \$2,126,400 of amounts received during the year ended June 30, 2006 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. Seventy individuals are receiving severance payments under these plans as of June 30, 2006.

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, 2006 are presented below at their present value assuming 5.14% interest:

Years Ending June 30,

2007	\$ 521,111
2008	460,715
2009	379,954
2010	249,087
2011	159,750
2012-2014	110,226
Total payments	\$ 1,880,843
Less interest portion	(151,465)
Present value of future payments	\$ 1,729,378

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	\$ -
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	\$250,000,000	\$ 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)	\$ 1,237,201	\$ -
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 an internal service 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 4. Other Information (Continued)

The liability for unpaid claims cost of \$994,000 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, 2006, 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, 2005 to June 30, 2006	\$ 989,500	\$ 6,803,556	\$ 6,799,056	\$ 994,000
June 30, 2004 to June 30, 2005	\$ 713,000	\$ 6,354,514	\$ 6,078,014	\$ 989,500

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, 2006, 2005 and 2004 were \$5,923,000, \$4,837,000 and \$4,630,000 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, 2006 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, 2006.

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.

"U" Fund - This fund primarily accounts for transfers received 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 vending 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 Debt Service Fund - This fund accounts for financial resources to be used for the payment of principal and interest on general obligation long-term debt.

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 in excess of \$200,000 as determined by the Wyoming School Facilities Commission. This fund is being funded by the State of Wyoming.

Minor Capital Projects Fund - This fund was established in accordance with Wyoming Statutes. It was created for the purpose of accounting for minor capital renovations and projects less than \$200,000 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, 2006

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
ASSETS				
Cash	\$ 460,233	\$ -	\$ -	\$ 460,233
Cash With Fiscal Agent	-	2,296,280	-	2,296,280
Temporary Investments	5,225,466	-	1,783,361	7,008,827
Taxes Receivable (net of allowance for uncollectibles)	28,680	22,064	-	50,744
Interest Receivable	1,539	-	256	1,795
Other Accounts Receivable	1,126	-	-	1,126
Due From Other Funds	2,049,088	-	105	2,049,193
Due From Other Governments	462,803	-	136,873	599,676
Inventories	205	-	-	205
Total Assets	\$ 8,229,140	\$ 2,318,344	\$ 1,920,595	\$ 12,468,079
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 57,974	\$ -	\$ -	\$ 57,974
Contracts and Retainage Payable	58,752	-	-	58,752
Due To Other Funds	465,074	-	136,873	601,947
Deferred Revenue	5,696	22,064	-	27,760
Total Liabilities	\$ 587,496	\$ 22,064	\$ 136,873	\$ 746,433
FUND BALANCES				
Fund Balances				
Reserved for Encumbrances	\$ 723,195	\$ -	\$ -	\$ 723,195
Reserved for Debt Service	-	2,296,280	-	2,296,280
Reserved for Capital Projects	-	-	1,783,722	1,783,722
Unreserved, Undesignated	6,918,449	-	-	6,918,449
Total Fund Balances	\$ 7,641,644	\$ 2,296,280	\$ 1,783,722	\$ 11,721,646
Total Liabilities and Fund Balances	\$ 8,229,140	\$ 2,318,344	\$ 1,920,595	\$ 12,468,079

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

Year Ended June 30, 2006

	Special Revenue	Debt Service	Capital Projects	Total Non-Major Governmental Funds
REVENUES				
Local Sources:				
Taxes	\$ 3,854,007	\$ 217,638	\$ -	\$ 4,071,645
Interest	155,221	-	3,034	158,255
Tuition and Fees	446,977	-	-	446,977
Rentals	30,575	-	-	30,575
Charges for Services	475,367	-	-	475,367
Contributions and Donations	209,911	-	-	209,911
Miscellaneous	420,000	-	-	420,000
Total Local Sources	\$ 5,592,058	\$ 217,638	\$ 3,034	\$ 5,812,730
County Sources:				
Taxes	\$ 2,970	\$ -	\$ -	\$ 2,970
State Sources:				
Intergovernmental	\$ 11,723	\$ -	\$ 789,473	\$ 801,196
Federal Sources:				
Intergovernmental	\$ 5,000,976	\$ 1,500,000	\$ -	\$ 6,500,976
Total Revenues	\$ 10,607,727	\$ 1,717,638	\$ 792,507	\$ 13,117,872
EXPENDITURES				
Current:				
Instruction:				
Regular	\$ 2,197,708	\$ -	\$ -	\$ 2,197,708
Special Education	1,371,523	-	-	1,371,523
Vocational	147,672	-	-	147,672
Adult/Continuing	8,595	-	-	8,595
Support Services:				
Pupil	783,366	-	-	783,366
Instructional Staff	1,138,147	-	-	1,138,147
General Administration	20,063	-	-	20,063
School Administration	136,557	-	-	136,557
Business	137,100	-	-	137,100
Operation and Maintenance of Plant	1,513,220	-	-	1,513,220
Central	471,207	-	-	471,207
Other Support	171,103	-	-	171,103
Operation of Non-Instructional Services:				
Community Services	3,708,441	-	-	3,708,441
Capital Outlay	493,630	-	984,600	1,478,230
Debt Service:				
Interest	-	350,547	-	350,547
Principal	-	2,860,000	-	2,860,000
Total Expenditures	\$ 12,298,332	\$ 3,210,547	\$ 984,600	\$ 16,493,479
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,690,605)	\$ (1,492,909)	\$ (192,093)	\$ (3,375,607)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 6,295,509	\$ -	\$ 1,750,000	\$ 8,045,509
Transfers (Out)	(4,423,559)	-	-	(4,423,559)
Total Other Financing Sources	\$ 1,871,950	\$ -	\$ 1,750,000	\$ 3,621,950
Net Change in Fund Balances	\$ 181,345	\$ (1,492,909)	\$ 1,557,907	\$ 246,343
FUND BALANCES, BEGINNING JULY 1	7,460,299	3,789,189	225,815	11,475,303
FUND BALANCES, ENDING JUNE 30	\$ 7,641,644	\$ 2,296,280	\$ 1,783,722	\$ 11,721,646

SPECIAL REVENUE FUNDS

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2006

(Page 1 of 2)

	"K" Fund	"U" Fund	Major Maintenance	Building (B)	Technology
ASSETS					
Cash	\$ -	\$ -	\$ 1,742	\$ 437,279	\$ -
Temporary Investments	-	-	1,464,962	-	1,443,399
Taxes Receivable (net of allowance for uncollectibles)	-	-	-	-	-
Interest Receivable	-	-	-	-	235
Other Accounts Receivable	-	27	-	795	-
Due From Other Funds	265,826	1,781,060	-	-	2,102
Due From Other Governments	-	-	-	-	-
Inventories	-	-	-	-	205
Total Assets	\$ 265,826	\$ 1,781,087	\$ 1,466,704	\$ 438,074	\$ 1,445,941
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 300	\$ 48,827	\$ 8,847	\$ -	\$ -
Contracts and Retainage Payable	-	48,500	10,252	-	-
Due To Other Funds	-	-	2,214	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	\$ 300	\$ 97,327	\$ 21,313	\$ -	\$ -
FUND BALANCES					
Reserved for Encumbrances	\$ -	\$ 2,119	\$ 721,076	\$ -	\$ -
Unreserved, Undesignated	265,526	1,681,641	724,315	438,074	1,445,941
Total Fund Balances	\$ 265,526	\$ 1,683,760	\$ 1,445,391	\$ 438,074	\$ 1,445,941
Total Liabilities and Fund Balances	\$ 265,826	\$ 1,781,087	\$ 1,466,704	\$ 438,074	\$ 1,445,941

Sick Leave	CCCPRD	Carl Perkins	Title I	Title I Neglected & Delinquent	Title I - Even Start	Title V	Drug Free Schools	Work Investment Act
\$ -	\$ 21,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
451,730	1,865,375	-	-	-	-	-	-	-
-	28,680	-	-	-	-	-	-	-
60	1,244	-	-	-	-	-	-	-
-	-	-	-	-	-	75	-	-
100	-	-	-	-	-	-	-	-
-	-	27,599	108,312	11,527	13,664	1,154	21,009	-
-	-	-	-	-	-	-	-	-
\$ 451,890	\$ 1,916,511	\$ 27,599	\$ 108,312	\$ 11,527	\$ 13,664	\$ 1,229	\$ 21,009	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	27,599	108,312	11,527	13,664	1,229	21,009	-
-	5,449	-	-	-	-	-	-	-
\$ -	\$ 5,449	\$ 27,599	\$ 108,312	\$ 11,527	\$ 13,664	\$ 1,229	\$ 21,009	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
451,890	1,911,062	-	-	-	-	-	-	-
\$ 451,890	\$ 1,911,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 451,890	\$ 1,916,511	\$ 27,599	\$ 108,312	\$ 11,527	\$ 13,664	\$ 1,229	\$ 21,009	\$ -

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2006

(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	-	229	-
Due From Other Funds	-	-	-
Due From Other Governments	90,862	174,221	2,931
Inventories	-	-	-
Total Assets	\$ 90,862	\$ 174,450	\$ 2,931
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Contracts and Retainage Payable	-	-	-
Due To Other Funds	90,615	174,450	2,931
Deferred Revenue	247	-	-
Total Liabilities	\$ 90,862	\$ 174,450	\$ 2,931
FUND BALANCES			
Reserved for Encumbrances	\$ -	\$ -	\$ -
Unreserved, Undesignated	-	-	-
Total Fund Balances	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ 90,862	\$ 174,450	\$ 2,931

McKinney Homeless	21 st Century SIG	Totals
\$ -	\$ -	\$ 460,233
-	-	5,225,466
-	-	28,680
-	-	1,539
-	-	1,126
-	-	2,049,088
-	11,524	462,803
-	-	205
\$ -	\$ 11,524	\$ 8,229,140
\$ -	\$ -	\$ 57,974
-	-	58,752
-	11,524	465,074
-	-	5,696
\$ -	\$ 11,524	\$ 587,496
\$ -	\$ -	\$ 723,195
-	-	6,918,449
\$ -	\$ -	\$ 7,641,644
\$ -	\$ 11,524	\$ 8,229,140

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, 2006

(Page 1 of 3)

	"K" Fund			"U" Fund			Major Maintenance		
	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	465	2,338	1,873	-	-	-	5,280	76,897	71,617
Tuition and Fees	171,871	192,788	20,917	-	-	-	-	-	-
Rentals	4,809	10,718	5,909	-	-	-	-	-	-
Charges for Services	20,000	21,107	1,107	1,650	2,425	775	-	-	-
Contributions and Donations	231,493	146,709	(84,784)	567	567	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Local Sources	\$ 428,638	\$ 373,660	\$ (54,978)	\$ 2,217	\$ 2,992	\$ 775	\$ 5,280	\$ 76,897	\$ 71,617
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Intergovernmental	\$ 5,000	\$ 11,723	\$ 6,723	\$ -	\$ -	\$ -	\$ 2,920,144	\$ -	\$ (2,920,144)
Federal Sources:									
Intergovernmental	\$ -	\$ 7,247	\$ 7,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 433,638	\$ 392,630	\$ (41,008)	\$ 2,217	\$ 2,992	\$ 775	\$ 2,925,424	\$ 76,897	\$ (2,848,527)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 248,492	\$ 43,462	\$ 205,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	4,243	-	4,243	-	-	-	-	-	-
Vocational Education	-	-	-	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	600	420	180	1,515	1,515	-	-	-	-
Instructional Staff	18,041	3,290	14,751	-	-	-	-	-	-
General Administration	-	-	-	-	-	-	-	-	-
School Administration	725	708	17	-	-	-	-	-	-
Business	172,722	130,786	41,936	-	-	-	-	-	-
Operation and Maintenance of Plant	30,838	23,925	6,913	66,494	57,059	9,435	2,006,590	1,420,913	585,677
Central	-	-	-	-	-	-	190,421	153,755	36,666
Other Support	-	-	-	-	-	-	-	-	-
Operation of Non-Instructional Services:									
Community Services	225,777	162,314	63,463	4,072,301	2,398,929	1,673,372	-	-	-
Capital Outlay	-	-	-	-	-	-	1,268,619	493,630	774,989
Total Expenditures	\$ 701,438	\$ 364,905	\$ 336,533	\$ 4,140,310	\$ 2,457,503	\$ 1,682,807	\$ 3,465,630	\$ 2,068,298	\$ 1,397,332
Excess (deficiency) of revenues over (under) expenditures	\$ (267,800)	\$ 27,725	\$ 295,525	\$ (4,138,093)	\$ (2,454,511)	\$ 1,683,582	\$ (540,206)	\$ (1,991,401)	\$ (1,451,195)
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ 122,238	\$ 122,238	\$ -	\$ 4,138,271	\$ 4,138,271	\$ -	\$ -	\$ -	\$ -
Transfers Out	(327,843)	(327,843)	-	-	-	-	(163,050)	(163,050)	-
Total Other Financing Sources (Uses)	\$ (205,605)	\$ (205,605)	\$ -	\$ 4,138,271	\$ 4,138,271	\$ -	\$ (163,050)	\$ (163,050)	\$ -
Net Change in Fund Balances	\$ (473,405)	\$ (177,880)	\$ 295,525	\$ 178	\$ 1,683,760	\$ 1,683,582	\$ (703,256)	\$ (2,154,451)	\$ (1,451,195)
FUND BALANCES,									
BEGINNING JULY 1	443,406	443,406	-	-	-	-	3,599,842	3,599,842	-
FUND BALANCES,									
ENDING JUNE 30	\$ (29,999)	\$ 265,526	\$ 295,525	\$ 178	\$ 1,683,760	\$ 1,683,582	\$ 2,896,586	\$ 1,445,391	\$ (1,451,195)

Building (B)			Technology			Sick Leave			CCCPRD		
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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,660,527	\$ 3,854,007	\$ 193,480
8,500	14,132	5,632	2,500	5,571	3,071	8,000	9,565	1,565	25,000	46,718	21,718
343,290	254,189	(89,101)	-	-	-	-	-	-	-	-	-
16,400	19,857	3,457	-	-	-	-	-	-	-	-	-
748,155	451,835	(296,320)	-	-	-	-	-	-	-	-	-
48,475	26,635	(21,840)	25,000	36,000	11,000	-	-	-	-	-	-
-	-	-	420,000	420,000	-	-	-	-	-	-	-
\$ 1,164,820	\$ 766,648	\$ (398,172)	\$ 447,500	\$ 461,571	\$ 14,071	\$ 8,000	\$ 9,565	\$ 1,565	\$ 3,685,527	\$ 3,900,725	\$ 215,198
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,970	\$ 2,970
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,164,820	\$ 766,648	\$ (398,172)	\$ 447,500	\$ 461,571	\$ 14,071	\$ 8,000	\$ 9,565	\$ 1,565	\$ 3,685,527	\$ 3,903,695	\$ 218,168
\$ 625,472	\$ 311,502	\$ 313,970	\$ 2,011,639	\$ 593,878	\$ 1,417,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125,880	35,238	90,642	-	-	-	-	-	-	-	-	-
-	-	-	9,264	7,366	1,898	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
352,991	197,570	155,421	39,000	39,000	-	-	-	-	-	-	-
17,515	13,538	3,977	166,120	154,640	11,480	-	-	-	-	-	-
3,804	3,771	33	-	-	-	-	-	-	8,150	7,267	883
246,138	135,849	110,289	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
29,276	11,323	17,953	-	-	-	-	-	-	-	-	-
75	-	75	-	-	-	550,000	317,452	232,548	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
4,849	15	4,834	5,523	5,523	-	-	-	-	719,590	579,965	139,625
-	-	-	-	-	-	-	-	-	1,528,811	-	1,528,811
\$ 1,406,000	\$ 708,806	\$ 697,194	\$ 2,231,546	\$ 800,407	\$ 1,431,139	\$ 550,000	\$ 317,452	\$ 232,548	\$ 2,256,551	\$ 587,232	\$ 1,669,319
\$ (241,180)	\$ 57,842	\$ 299,022	\$ (1,784,046)	\$ (338,836)	\$ 1,445,210	\$ (542,000)	\$ (307,887)	\$ 234,113	\$ 1,428,976	\$ 3,316,463	\$ 1,887,487
\$ -	\$ -	\$ -	\$ 1,560,000	\$ 1,560,000	\$ -	\$ 475,000	\$ 475,000	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	(3,932,666)	(3,932,666)	-
\$ -	\$ -	\$ -	\$ 1,560,000	\$ 1,560,000	\$ -	\$ 475,000	\$ 475,000	\$ -	\$ (3,932,666)	\$ (3,932,666)	\$ -
\$ (241,180)	\$ 57,842	\$ 299,022	\$ (224,046)	\$ 1,221,164	\$ 1,445,210	\$ (67,000)	\$ 167,113	\$ 234,113	\$ (2,503,690)	\$ (616,203)	\$ 1,887,487
380,232	380,232	-	224,777	224,777	-	284,777	284,777	-	2,527,265	2,527,265	-
\$ 139,052	\$ 438,074	\$ 299,022	\$ 731	\$ 1,445,941	\$ 1,445,210	\$ 217,777	\$ 451,890	\$ 234,113	\$ 23,575	\$ 1,911,062	\$ 1,887,487

(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, 2006

(Page 2 of 3)

	Carl Perkins			Title I			Title I - Neglected & Delinquent		
	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	\$ 225,680	\$ 188,344	\$ (37,336)	\$ 1,283,233	\$ 1,097,492	\$ (185,741)	\$ 96,423	\$ 59,817	\$ (36,606)
Total Revenues	\$ 225,680	\$ 188,344	\$ (37,336)	\$ 1,283,233	\$ 1,097,492	\$ (185,741)	\$ 96,423	\$ 59,817	\$ (36,606)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ -	\$ -	\$ -	\$ 1,018,769	\$ 877,144	\$ 141,625	\$ -	\$ -	\$ -
Special Education	-	-	-	-	-	-	91,502	57,784	33,718
Vocational Education	165,063	140,306	24,757	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	-	-	-	-	-	-	-	-	-
Instructional Staff	53,787	42,195	11,592	92,182	77,500	14,682	2,000	168	1,832
General Administration	-	-	-	73	73	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business	-	-	-	8,536	6,314	2,222	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	-	-	-
Other Support	6,830	5,843	987	43,783	40,939	2,844	2,921	1,865	1,056
Operation of Non-Instructional Services:									
Community Services	-	-	-	119,890	95,522	24,368	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 225,680	\$ 188,344	\$ 37,336	\$ 1,283,233	\$ 1,097,492	\$ 185,741	\$ 96,423	\$ 59,817	\$ 36,606
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 I - Even Start			Title V			Drug Free Schools			Work Investment Act		
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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 124,199	\$ 103,025	\$ (21,174)	\$ 87,275	\$ 76,991	\$ (10,284)	\$ 131,707	\$ 120,065	\$ (11,642)	\$ 8,595	\$ 8,595	\$ -
\$ 124,199	\$ 103,025	\$ (21,174)	\$ 87,275	\$ 76,991	\$ (10,284)	\$ 131,707	\$ 120,065	\$ (11,642)	\$ 8,595	\$ 8,595	\$ -
\$ -	\$ -	\$ -	\$ 10,658	\$ 10,542	\$ 116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
669	669	-	17,187	17,187	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	8,595	8,595	-
-	-	-	-	-	-	-	-	-	-	-	-
21,110	18,614	2,496	-	-	-	127,248	117,177	10,071	-	-	-
-	-	-	53,223	46,020	7,203	1,669	241	1,428	-	-	-
-	-	-	3,551	893	2,658	132	132	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
43,927	32,192	11,735	2,656	2,349	307	2,658	2,515	143	-	-	-
58,493	51,550	6,943	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ 124,199	\$ 103,025	\$ 21,174	\$ 87,275	\$ 76,991	\$ 10,284	\$ 131,707	\$ 120,065	\$ 11,642	\$ 8,595	\$ 8,595	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2006

(Page 3 of 3)

	Title II			Part B			Title III		
	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	\$ 1,171,895	\$ 998,685	\$ (173,210)	\$ 2,076,039	\$ 1,920,990	\$ (155,049)	\$ 30,352	\$ 30,352	\$ -
Total Revenues	\$ 1,171,895	\$ 998,685	\$ (173,210)	\$ 2,076,039	\$ 1,920,990	\$ (155,049)	\$ 30,352	\$ 30,352	\$ -
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 361,351	\$ 361,180	\$ 171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	250	250	-	1,238,511	1,170,385	68,126	29,597	29,597	-
Vocational Education	-	-	-	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	588	588	-	441,249	408,482	32,767	-	-	-
Instructional Staff	703,601	534,862	168,739	314,528	265,518	49,010	175	175	-
General Administration	500	500	-	8,336	7,427	909	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-	-	-	-
Central	462	-	462	-	-	-	-	-	-
Other Support	25,143	21,305	3,838	55,821	52,233	3,588	580	580	-
Operation of Non-Instructional Services:									
Community Services	80,000	80,000	-	17,594	16,945	649	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,171,895	\$ 998,685	\$ 173,210	\$ 2,076,039	\$ 1,920,990	\$ 155,049	\$ 30,352	\$ 30,352	\$ -
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									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

McKinney Homeless			21 st Century SIG			Totals		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,660,527	\$ 3,854,007	\$ 193,480
-	-	-	-	-	-	49,745	155,221	105,476
-	-	-	-	-	-	515,161	446,977	(68,184)
-	-	-	-	-	-	21,209	30,575	9,366
-	-	-	-	-	-	769,805	475,367	(294,438)
-	-	-	-	-	-	305,535	209,911	(95,624)
-	-	-	-	-	-	420,000	420,000	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,741,982	\$ 5,592,058	\$ (149,924)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,970	\$ 2,970
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,925,144	\$ 11,723	\$ (2,913,421)
\$ 22,840	\$ 20,247	\$ (2,593)	\$ 565,654	\$ 369,126	\$ (196,528)	\$ 5,823,892	\$ 5,000,976	\$ (822,916)
\$ 22,840	\$ 20,247	\$ (2,593)	\$ 565,654	\$ 369,126	\$ (196,528)	\$ 14,491,018	\$ 10,607,727	\$ (3,883,291)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,276,381	\$ 2,197,708	\$ 2,078,673
9,219	9,218	1	76,112	51,195	24,917	1,593,170	1,371,523	221,647
-	-	-	-	-	-	174,327	147,672	26,655
-	-	-	-	-	-	8,595	8,595	-
-	-	-	-	-	-	984,301	783,366	200,935
-	-	-	-	-	-	1,422,841	1,138,147	284,694
-	-	-	-	-	-	24,546	20,063	4,483
-	-	-	-	-	-	246,863	136,557	110,306
-	-	-	-	-	-	181,258	137,100	44,158
-	-	-	-	-	-	2,133,198	1,513,220	619,978
-	-	-	-	-	-	740,958	471,207	269,751
668	591	77	16,553	10,691	5,862	201,540	171,103	30,437
12,953	10,438	2,515	472,989	307,240	165,749	5,789,959	3,708,441	2,081,518
-	-	-	-	-	-	2,797,430	493,630	2,303,800
\$ 22,840	\$ 20,247	\$ 2,593	\$ 565,654	\$ 369,126	\$ 196,528	\$ 20,575,367	\$ 12,298,332	\$ 8,277,035
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,084,349)	\$ (1,690,605)	\$ 4,393,744
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,295,509	\$ 6,295,509	\$ -
-	-	-	-	-	-	(4,423,559)	(4,423,559)	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,871,950	\$ 1,871,950	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,212,399)	\$ 181,345	\$ 4,393,744
-	-	-	-	-	-	7,460,299	7,460,299	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,247,900	\$ 7,641,644	\$ 4,393,744

DEBT SERVICE FUND

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

BALANCE SHEET

NONMAJOR DEBT SERVICE FUND

June 30, 2006

ASSETS	
Cash With Fiscal Agent	\$ 2,296,280
Taxes Receivable (net of allowance for uncollectibles)	22,064
Total Assets	\$ 2,318,344
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Deferred Revenue	\$ 22,064
FUND BALANCE	
Reserved for Debt Service	\$ 2,296,280
Total Liabilities and Fund Balance	\$ 2,318,344

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NONMAJOR DEBT SERVICE FUND**

Year Ended June 30, 2006

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Taxes	\$ -	\$ 217,638	\$ 217,638
Federal Sources			
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ -
Total Revenues	\$ 1,500,000	\$ 1,717,638	\$ 217,638
EXPENDITURES			
Debt Service			
Interest	\$ 350,547	\$ 350,547	\$ -
Principal	2,860,000	2,860,000	-
Total Expenditures	\$ 3,210,547	\$ 3,210,547	\$ -
Net change in fund balance	\$ (1,710,547)	\$ (1,492,909)	\$ 217,638
FUND BALANCE, BEGINNING JULY 1	3,789,189	3,789,189	-
FUND BALANCE, ENDING JUNE 30	\$ 2,078,642	\$ 2,296,280	\$ 217,638

CAPITAL PROJECTS FUNDS

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS**

June 30, 2006

	Depreciation Reserve	Major Capital Projects	Minor Capital Projects	Totals
ASSETS				
Temporary Investments	\$ 1,783,361	\$ -	\$ -	\$ 1,783,361
Interest Receivable	256	-	-	256
Due From Other Funds	105	-	-	105
Due From Other Governments	-	135,835	1,038	136,873
Total Assets	\$ 1,783,722	\$ 135,835	\$ 1,038	\$ 1,920,595
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due To Other Funds	\$ -	\$ 135,835	\$ 1,038	\$ 136,873
FUND BALANCES				
Reserved for Capital Projects	\$ 1,783,722	\$ -	\$ -	\$ 1,783,722
Total Liabilities and Fund Balances	\$ 1,783,722	\$ 135,835	\$ 1,038	\$ 1,920,595

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, 2006

	Depreciation Reserve			Major Capital Projects		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Local Sources:						
Interest	\$ 6,800	\$ 3,034	\$ (3,766)	\$ -	\$ -	\$ -
State Sources:						
Intergovernmental	\$ -	\$ -	\$ -	\$ 4,555,269	\$ 788,435	\$ (3,766,834)
Total Revenues	\$ 6,800	\$ 3,034	\$ (3,766)	\$ 4,555,269	\$ 788,435	\$ (3,766,834)
EXPENDITURES						
Capital Outlay	\$ 1,982,543	\$ 195,127	\$ 1,787,416	\$ 4,431,667	\$ 788,435	\$ 3,643,232
Excess (deficiency) of revenues over (under) expenditures	\$(1,975,743)	\$ (192,093)	\$ 1,783,650	\$ 123,602	\$ -	\$ (123,602)
OTHER FINANCING SOURCES						
Transfers In	\$ 1,750,000	\$ 1,750,000	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ (225,743)	\$ 1,557,907	\$ 1,783,650	\$ 123,602	\$ -	\$ (123,602)
FUND BALANCES,						
BEGINNING JULY 1	225,815	225,815	-	-	-	-
FUND BALANCES,						
ENDING JUNE 30	\$ 72	\$ 1,783,722	\$ 1,783,650	\$ 123,602	\$ -	\$ (123,602)

Minor Capital Projects			Totals		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ 6,800	\$ 3,034	\$ (3,766)
\$ 127,250	\$ 1,038	\$ (126,212)	\$ 4,682,519	\$ 789,473	\$ (3,893,046)
\$ 127,250	\$ 1,038	\$ (126,212)	\$ 4,689,319	\$ 792,507	\$ (3,896,812)
\$ 127,250	\$ 1,038	\$ 126,212	\$ 6,541,460	\$ 984,600	\$ 5,556,860
\$ -	\$ -	\$ -	\$ (1,852,141)	\$ (192,093)	\$ 1,660,048
\$ -	\$ -	\$ -	\$ 1,750,000	\$ 1,750,000	\$ -
\$ -	\$ -	\$ -	\$ (102,141)	\$ 1,557,907	\$ 1,660,048
-	-	-	225,815	225,815	-
\$ -	\$ -	\$ -	\$ 123,674	\$ 1,783,722	\$ 1,660,048

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, 2006

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Taxes	\$ -	\$ 64	\$ 64
Interest	35,000	205,468	170,468
Miscellaneous	1,702,280	1,707,203	4,923
Total Local Sources	\$ 1,737,280	\$ 1,912,735	\$ 175,455
EXPENDITURES			
Capital Outlay	\$ 7,010,691	\$ 861,938	\$ 6,148,753
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (5,273,411)	\$ 1,050,797	\$ 6,324,208
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 1,163,050	\$ 1,163,050	\$ -
Transfers Out	(9,800)	(9,800)	-
Total Other Financing Sources	\$ 1,153,250	\$ 1,153,250	\$ -
Net Change in Fund Balance	\$ (4,120,161)	\$ 2,204,047	\$ 6,324,208
FUND BALANCE, BEGINNING JULY 1	4,093,477	4,093,477	-
FUND BALANCE, ENDING JUNE 30	\$ (26,684)	\$ 6,297,524	\$ 6,324,208

**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, 2006

Governmental Funds Capital Assets:	
Land	\$ 4,032,454
Buildings and building improvements	120,910,224
Improvements other than buildings	13,637,757
Equipment and vehicles	14,325,602
Construction in progress	382,244
<hr/>	
Total Governmental Funds Capital Assets	\$ 153,288,281
<hr/>	
Investments in Governmental Funds Capital Assets By Source:	
General Fund	\$ 152,433,457
Special Revenue Fund	854,824
<hr/>	
Total Governmental Funds Capital Assets	\$ 153,288,281
<hr/>	

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

June 30, 2006

Fund and Activity	Land	Buildings and Building Improvements	Improvements Other Than Buildings	Equipment and Vehicles	Construction In Progress	Total
Instruction:						
Regular	\$ 3,969,904	\$ 118,888,315	\$ 13,326,764	\$ 13,665,747	\$ 382,244	\$ 150,232,974
Support Services:						
General						
Administration	62,550	2,021,909	310,993	659,855	-	3,055,307
Total Governmental Funds Capital Assets	\$ 4,032,454	\$ 120,910,224	\$ 13,637,757	\$ 14,325,602	\$ 382,244	\$ 153,288,281

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, 2006**

Function and Activity	Governmental Funds Capital Assets June 30, 2005	Additions	Deductions	Governmental Funds Capital Assets June 30, 2006
Instruction:				
Regular	\$ 147,723,984	\$ 3,048,750	\$ (539,760)	\$ 150,232,974
Support Services:				
General Administration	2,963,824	133,848	(42,365)	3,055,307
Total Governmental Funds Capital Assets	\$ 150,687,808	\$ 3,182,598	\$ (582,125)	\$ 153,288,281



STATISTICAL SECTION

This part of Campbell County School District No.1's Comprehensive Annual Financial Report (CAFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends	72
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed overtime.	
Revenue Capacity	79
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	83
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and also its ability to issue additional debt in the future.	
Demographic and Economic Information	86
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

CHANGES IN FUND BALANCES FOR TOTAL GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

TABLE 1

	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)	Fiscal Year 2000 (1)	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005 (2)	Fiscal Year 2006 (2)
Revenues										
Local Sources:										
Taxes	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 50,414,322	\$ 50,047,834	\$ 51,994,888.0	\$ 57,743,950	\$ 67,371,197
Interest	N/A	N/A	N/A	N/A	N/A	457,382	243,119	221,793.0	931,296	2,403,857
Tuition and Fees	N/A	N/A	N/A	N/A	N/A	441,855	469,864	385,972.0	443,528	528,323
Rentals	N/A	N/A	N/A	N/A	N/A	33,751	29,621	41,664.0	50,899	47,754
Charges for Services	N/A	N/A	N/A	N/A	N/A	503,441	448,400	511,732.0	394,464	480,781
Contributions and Donations	N/A	N/A	N/A	N/A	N/A	163,595	294,122	237,083.0	184,705	272,491
Other Local Revenue	N/A	N/A	N/A	N/A	N/A	4,602,926	5,483,836	5,699,311.0	0	0
Miscellaneous	N/A	N/A	N/A	N/A	N/A	442,456	395,756	2,120,369.0	378,247	2,217,249
County Sources										
Taxes	N/A	N/A	N/A	N/A	N/A	11,718,285	12,058,310	11,133,885.0	13,521,611	15,990,906
State Sources										
Taxes	N/A	N/A	N/A	N/A	N/A	3,450,299	4,066,544	3,123,263.0	29,579	0
Intergovernmental	N/A	N/A	N/A	N/A	N/A	1,403,884	478,511	391,842.0	7,035,151	4,290,852
Federal Sources										
Intergovernmental	N/A	N/A	N/A	N/A	N/A	5,010,559	5,076,803	5,804,466.0	5,850,154	6,556,265
Total Revenues	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 78,642,755	\$ 79,092,720	\$ 81,666,268.0	\$ 86,563,584	\$ 100,159,675
Expenditures										
Current										
Instruction										
Regular	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 25,179,634	\$ 25,598,476	\$ 25,500,183.0	\$ 26,861,682	\$ 32,108,659
Special Education	N/A	N/A	N/A	N/A	N/A	6,479,905	7,439,069	8,183,123.0	8,760,854	9,586,186
Vocational Education	N/A	N/A	N/A	N/A	N/A	2,711,936	3,027,131	2,786,631.0	2,518,501	2,166,194
Adult/Continuing	N/A	N/A	N/A	N/A	N/A	38,401	13,707	16,225.0	5,432	8,595
Support Services										
Pupil	N/A	N/A	N/A	N/A	N/A	5,811,013	5,950,319	5,809,497.0	6,454,205	8,076,778
Instructional Staff	N/A	N/A	N/A	N/A	N/A	3,760,535	3,859,572	4,121,610.0	4,194,925	5,266,331
General Administration	N/A	N/A	N/A	N/A	N/A	660,097	714,826	823,411.0	848,066	1,080,347
School Administration	N/A	N/A	N/A	N/A	N/A	3,562,051	3,821,482	3,864,100.0	3,958,637	4,704,911
Business	N/A	N/A	N/A	N/A	N/A	1,111,936	1,257,101	1,563,941.0	1,536,943	1,768,015
Operation/Maintenance of Plant	N/A	N/A	N/A	N/A	N/A	6,841,752	7,133,378	7,606,965.0	7,659,891	9,317,673
Pupil Transportation	N/A	N/A	N/A	N/A	N/A	3,645,568	3,562,678	3,698,771.0	3,844,481	4,628,698
Central	N/A	N/A	N/A	N/A	N/A	7,826,354	7,289,859	7,335,729.0	1,490,994	1,682,479
Other Support	N/A	N/A	N/A	N/A	N/A	143,375	162,206	155,440.0	269,654	320,904
Other Non-Instructional Service										
Community Services	N/A	N/A	N/A	N/A	N/A	562,237	825,537	1,032,740.0	1,177,841	3,885,187
Capital Outlay	N/A	N/A	N/A	N/A	N/A	4,117,951	3,840,767	3,254,176.0	3,600,372	3,193,777

	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)	Fiscal Year 2000 (1)	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005 (2)	Fiscal Year 2006 (2)
Debt Service										
Interest	N/A	N/A	N/A	N/A	N/A	1,009,194	897,798	768,418.0	606,617	444,791
Principal	N/A	N/A	N/A	N/A	N/A	2,889,944	3,190,519	3,725,122.0	3,709,593	3,762,216
Total Expenditures	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 76,351,883	\$ 78,584,425	\$ 80,246,082.0	\$ 77,498,688	\$ 92,001,741
Excess of revenues over(under) expenditures	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 2,290,872	\$ 508,295	\$ 1,420,186.0	\$ 9,064,896	\$ 8,157,934
Other Financing Sources (Uses)										
Transfers in	N/A	N/A	N/A	N/A	N/A	224,192	374,297	662,090.0	2,802,979	9,218,359
Transfers (out)	N/A	N/A	N/A	N/A	N/A	-310,293	-379,297	-667,090.0	-2,987,129	-9,746,851
Proceeds from Capital Lease	N/A	N/A	N/A	N/A	N/A	987,500	925,643	964,560.0	771,176	853,609
Sale of Capital Assets	N/A	N/A	N/A	N/A	N/A	17,574	47,596	7,839.0	1,153,183	12,652
Total Other Financing Sources (Uses)	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 918,973	\$ 968,239	\$ 967,399.0	\$ 1,740,209	\$ 337,769
Net Change in Fund Balance	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 3,209,845	\$ 1,476,534	\$ 2,387,585.0	\$ 10,805,105	\$ 8,495,703
Debt Service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	N/A	5.382%	5.470%	5.836%	5.841%	4.737%

(1) N/A Not Available. With the GASB 34 reporting changes in State of Wyoming's Department of Education reclassified function groupings and expanded certain categories.

Restating past years financials into the States' new GASB34 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.

(2) In fiscal year 2005 the District's self-insurance health plan was reclassified from the general fund to an Internal Service Fund. This reclassification resulted in the zero totals for the Local Sources - Other Local Revenues starting with fiscal year 2005.

NET ASSETS BY COMPONENT

LAST TEN FISCAL YEARS

(accrual basis of accounting)

(Unaudited)

TABLE 2

	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)	Fiscal Year 2000 (1)	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Governmental Activities										
Invested in capital assets, net of related debt	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 67,749,381	\$ 70,731,591	\$ 71,564,430	\$ 73,677,938	\$ 73,973,479	\$ 75,908,464
Restricted	N/A	N/A	N/A	N/A	4,668,757	5,650,304	7,244,967	9,281,925	6,973,078	8,464,190
Unrestricted	N/A	N/A	N/A	N/A	2,714,069	5,510,888	4,388,190	4,692,361	19,755,557	25,477,051
Total governmental activities net assets	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 75,132,207	\$ 81,892,783	\$ 83,197,587	\$ 87,652,224	\$ 100,702,114	\$ 109,849,705
Business-type Activities										
Invested in capital assets, net of related debt	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 114,415	\$ 96,072	\$ 89,229	\$ 74,115	\$ 63,019	\$ 59,588
Restricted	N/A	N/A	N/A	N/A	0	0	0	0	0	0
Inrestricted	N/A	N/A	N/A	N/A	336,949	280,263	96,960	94,049	255,787	305,825
Total business-type activities net assets	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 451,364	\$ 376,335	\$ 186,189	\$ 168,164	\$ 318,806	\$ 365,413
Primary government										
Invested in capital assets, net of related debt	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 67,863,796	\$ 70,827,663	\$ 71,653,659	\$ 73,752,053	\$ 74,036,498	\$ 75,968,052
Restricted	N/A	N/A	N/A	N/A	4,668,757	5,650,304	7,244,967	9,281,925	6,973,078	8,464,190
Unrestricted	N/A	N/A	N/A	N/A	3,051,018	5,791,151	4,485,150	4,786,410	20,011,344	25,782,876
Total primary government net assets	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 75,583,571	\$ 82,269,118	\$ 83,383,776	\$ 87,820,388	\$ 101,020,920	\$ 110,215,118

(1) N/A Not Available. With the GASB 34 reporting changes in State of Wyoming's Department of Education reclassified function groupings and expanded certain categories. Restating past years financials into the States' new GASB34 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.

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CHANGES IN NET ASSETS

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

TABLE 3

	Fiscal Year 1997 (L)	Fiscal Year 1998 (L)	Fiscal Year 1999 (L)	Fiscal Year 2000 (L)	Fiscal Year 2001 (L)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Expenses										
Governmental activities										
Instruction	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 37,965,142	\$ 39,563,194	\$ 40,308,574	\$ 41,968,805	\$ 47,854,598
Pupil and Instructional Staff	N/A	N/A	N/A	N/A	N/A	9,556,136	9,791,560	9,903,822	10,623,844	13,296,142
General, School & Business Administration	N/A	N/A	N/A	N/A	N/A	5,425,287	5,881,729	6,304,993	6,419,171	7,631,520
Operation/Maintenance of Plant	N/A	N/A	N/A	N/A	N/A	6,826,883	7,133,378	7,693,871	8,052,935	9,972,691
Pupil Transportation	N/A	N/A	N/A	N/A	N/A	3,645,568	3,562,678	3,698,771	3,844,481	4,628,698
Central	N/A	N/A	N/A	N/A	N/A	5,220,531	5,409,516	3,710,442	4,137,175	1,353,835
Other Support Services	N/A	N/A	N/A	N/A	N/A	143,375	162,706	155,440	267,673	320,904
Community Support - Non Instructional	N/A	N/A	N/A	N/A	N/A	557,877	807,865	1,014,168	1,172,495	3,401,251
Debt Service - Interest Only	N/A	N/A	N/A	N/A	N/A	1,009,194	897,798	768,418	606,617	444,791
Total governmental activities expenses	N/A	N/A	N/A	N/A	N/A	70,349,993	73,210,424	73,558,499	77,093,196	88,904,430
Business-type activities										
Enterprise Fund - Food Service	N/A	N/A	N/A	N/A	N/A	2,154,305	2,154,632	2,265,220	2,462,803	2,815,794
Total Business-type activities expenses	N/A	N/A	N/A	N/A	N/A	2,154,305	2,154,632	2,265,220	2,462,803	2,815,794
Total primary government expenses	N/A	N/A	N/A	N/A	N/A	72,504,298	75,365,056	75,823,719	79,555,999	91,720,224
Program Revenues										
Governmental activities										
Charges for Services										
Instruction	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 421,804	\$ 435,757	\$ 402,537	\$ 375,956	\$ 461,634
Support Services	N/A	N/A	N/A	N/A	N/A	423,055	378,335	386,177	364,039	425,051
Operation of Non-Instructional Services	N/A	N/A	N/A	N/A	N/A	134,188	133,793	150,654	148,896	170,173
Operating Grants & Contributions	N/A	N/A	N/A	N/A	N/A	3,674,684	4,460,219	4,770,890	5,619,723	6,764,857
Capital Grants & Contributions	N/A	N/A	N/A	N/A	N/A	500,000	0	0	0	0
Total governmental activities program revenues	N/A	N/A	N/A	N/A	N/A	5,153,731	5,408,104	5,710,258	6,508,614	7,821,715
Business-type activities										
Charges for Services	N/A	N/A	N/A	N/A	N/A	1,473,778	1,437,485	1,628,421	1,765,661	1,887,160
Operating Grants & Contributions	N/A	N/A	N/A	N/A	N/A	510,876	518,659	612,410	750,330	771,855
Total business-type activities program revenues	N/A	N/A	N/A	N/A	N/A	1,984,654	1,956,144	2,240,831	2,515,991	2,659,015
Total primary government program revenues	N/A	N/A	N/A	N/A	N/A	7,138,385	7,364,248	7,951,089	9,024,605	10,480,730
Net (expense)/revenue	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ -65,196,262	\$ -67,802,320	\$ -67,848,241	\$ -70,584,582	\$ -81,082,715
Governmental activities	N/A	N/A	N/A	N/A	N/A	-198,488	-24,389	53,188	-156,779	-156,779
Business-type activities	N/A	N/A	N/A	N/A	N/A	-68,000,808	-67,872,630	-70,531,394	-70,531,394	-81,239,494
Total primary government net expenses	N/A	N/A	N/A	N/A	N/A	-68,000,808	-67,872,630	-70,531,394	-70,531,394	-81,239,494

	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)	Fiscal Year 2000 (1)	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
General Revenues and										
Other Changes in Net Assets										
Governmental activities										
Taxes										
Property Taxes, general purposes	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 59,261,502	\$ 56,181,202	\$ 60,325,775	\$ 66,535,976	\$ 78,284,359
Property Taxes, debt service	N/A	N/A	N/A	N/A	N/A	3,126,894	3,472,106	2,665,903	87,102	183,135
Property Taxes, capital construction	N/A	N/A	N/A	N/A	N/A	3,145	1,379	4,020	0	0
Property Taxes, major building & facility maintenance	N/A	N/A	N/A	N/A	N/A	3,415,660	4,044,178	3,093,138	0	0
Property Taxes, public recreation	N/A	N/A	N/A	N/A	N/A	1,177,391	1,353,401	1,382,454	3,336,195	3,841,178
Grants & Contribution not restricted to specific programs	N/A	N/A	N/A	N/A	N/A	1,153,353	139,218	162,501	8,886,948	2,854,751
Capital Grant restricted for debt service	N/A	N/A	N/A	N/A	N/A	1,250,000	1,250,000	1,500,000	1,500,000	1,500,000
Interest	N/A	N/A	N/A	N/A	N/A	457,382	243,119	221,793	975,584	2,546,754
Other Local Revenue	N/A	N/A	N/A	N/A	N/A	1,709,158	1,960,143	2,018,820	2,176,045	0
Miscellaneous	N/A	N/A	N/A	N/A	N/A	442,456	395,756	917,291	874,195	1,184,306
Gain/(loss) on sale of capital assets	N/A	N/A	N/A	N/A	N/A	45,998	71,622	16,183	-643,948	27,605
Transfers	N/A	N/A	N/A	N/A	N/A	-86,101	-5,000	-5,000	-93,625	-191,782
Total Governmental activities	N/A	N/A	N/A	N/A	N/A	71,956,838	69,107,124	72,302,878	83,634,472	90,230,306
Business-type activities										
Interest	N/A	N/A	N/A	N/A	N/A	8,521	3,717	1,364	3,829	11,604
Gain/(loss) on sale of capital assets	N/A	N/A	N/A	N/A	N/A	0	-375	0	0	0
Transfers	N/A	N/A	N/A	N/A	N/A	86,101	5,000	5,000	93,625	191,782
Total business-type activities	N/A	N/A	N/A	N/A	N/A	94,622	8,342	6,364	97,454	203,386
Total primary government	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 72,051,460	\$ 69,115,466	\$ 72,309,242	\$ 83,731,926	\$ 90,433,692
Change in Net Assets										
Government activities	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 6,760,576	\$ 1,304,804	\$ 4,454,637	\$ 13,049,890	\$ 9,147,591
Business-type activities	N/A	N/A	N/A	N/A	N/A	-75,029	-190,146	-18,025	150,642	46,607
Total primary government	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ 6,685,547	\$ 1,114,658	\$ 4,436,612	\$ 13,200,532	\$ 9,194,198

(1) N/A Not Available. With the GASB 34 reporting changes in 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.

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

TABLE 4

	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)	Fiscal Year 2000 (1)	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
General Fund										
Reserved	\$ 1,045,923	\$ 730,714	\$ 226,283	\$ 400,773	\$ 287,927	\$ 351,393	\$ 351,013	\$ 62,933	\$ 195,768	\$ 217,127
Unreserved	-6,029,274	907,371	2,795,259	2,536,016	-1,836,971	478,863	-74,183	752,302	7,935,036	13,958,990
Total general fund	\$ -4,983,351	\$ 1,638,085	\$ 3,021,542	\$ 2,936,789	\$ -1,549,044	\$ 830,256	\$ 276,830	\$ 815,235	\$ 8,130,804	\$ 14,176,117
All other governmental funds										
Reserved	\$ 21,281,439	\$ 10,851,498	\$ 4,819,036	\$ 3,725,314	\$ 4,671,857	\$ 7,980,645	\$ 7,773,774	\$ 10,777,969	\$ 7,239,902	\$ 9,187,385
Unreserved, reported in:										
Capital Construction	1,790,836	1,022,394	960,612	1,994,001	353,511	0	0	0	1,135,403	1,913,336
Special revenue funds	420,687	505,319	489,566	584,883	688,865	-565,446	2,456,290	1,301,275	7,193,475	6,918,449
Total all other governmental funds	\$ 23,492,962	\$ 12,379,211	\$ 6,269,214	\$ 6,304,198	\$ 5,714,233	\$ 7,415,199	\$ 10,230,064	\$ 12,079,244	\$ 15,568,780	\$ 18,019,170

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

(Unaudited)

TABLE 5

Fiscal Year	Tax Year	Total Tax Levied for Year	Collections during Levied Year		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1997	1996	\$ 48,618,385	\$ 48,274,334	99.29%	\$ 325,211	\$ 48,599,545	99.96%
1998	1997	52,945,273	52,289,474	98.76%	640,938	52,930,412	99.97%
1999	1998	47,087,601	45,961,087	97.61%	682,410	46,643,497	99.06%
2000	1999	45,215,887	44,000,188	97.31%	487,473	44,487,661	98.39%
2001	2000	51,846,678	51,038,175	98.44%	240,593	51,278,768	98.90%
2002	2001	69,835,665	67,152,670	96.16%	2,254,708	69,407,378	99.39%
2003	2002	80,810,637	79,244,072	98.06%	1,500,693	80,744,765	99.92%
2004	2003	84,598,369	83,457,249	98.65%	1,077,842	84,535,091	99.93%
2005	2004	104,269,723	104,058,464	99.80%	-14,931	104,043,533	99.78%
2006	2005	117,076,280	116,418,254	99.44%	0	116,418,254	99.44%

Source: Campbell County Treasurer

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

(Unaudited)

TABLE 6

Fiscal Year	Tax Year	Real Property		Personal Property	Public Utilities & Minereals	Total Taxable Assessed Value	Estimated Actual Taxable Value (1)	Assessed Value as a percentage of Actual Value
		Residential	Commercial					
1997	1996	\$ 55,251,023	\$ 17,686,174	\$ 122,926,218	\$ 1,265,803,864	\$ 1,461,667,279	\$ 4,075,656,804	35.86%
1998	1997	60,017,940	19,212,092	133,531,979	1,375,014,203	1,587,776,214	4,307,804,105	36.86%
1999	1998	56,520,834	18,092,647	125,751,379	1,294,895,305	1,495,260,165	4,258,105,130	35.12%
2000	1999	54,274,004	17,373,424	120,752,480	1,243,420,311	1,435,820,219	4,450,293,023	32.26%
2001	2000	80,734,668	21,975,048	166,001,575	1,356,353,131	1,625,064,422	4,659,303,697	34.88%
2002	2001	87,827,845	24,152,512	205,244,281	1,897,356,598	2,214,581,236	5,729,823,768	38.65%
2003	2002	99,495,330	35,594,547	245,277,134	2,183,577,771	2,563,944,782	6,775,004,265	37.84%
2004	2003	110,129,736	37,566,308	248,018,397	2,290,964,750	2,686,679,191	7,108,629,105	37.79%
2005	2004	120,631,583	40,123,404	254,832,860	2,843,140,472	3,258,728,319	7,870,968,065	41.40%
2006	2005	130,657,458	41,293,876	280,652,451	3,207,923,708	3,660,527,493	8,564,715,607	42.74%

Source: Assessor

(1) County Property is reassessed annually. County assessed property rates are 100% for minerals, 11.5% for businesses and 9.5% for local property. Estimated Actual Taxable Value is calculated by dividing the assessed value by those percentages.

Note: Real Property, Personal Property, Public Utilities & Minerals Assessed value for tax years 1996 through 1999 are estimates based on a 6 year average percentage.

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**

(Unaudited)

TABLE 7

Fiscal Year	Tax Year	City of Gillette			County			Overlapping Rate				Special Districts	State School Millage	Total Direct & Overlapping Rates
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total County Millage	School District			
1997	1996	7.188	0.000	7.188	11.204	0.000	11.204	33.281	1.125	34.406	12.000	4.126	68.924	
1998	1997	7.146	0.000	7.146	11.035	0.000	11.035	33.357	1.081	34.438	12.000	4.134	68.753	
1999	1998	7.212	0.000	7.212	11.109	0.000	11.109	31.500	1.200	32.700	12.000	4.232	67.253	
2000	1999	7.231	0.000	7.231	11.175	0.000	11.175	31.500	1.311	32.811	12.000	4.217	67.434	
2001	2000	7.277	0.000	7.277	11.133	0.000	11.133	31.000	1.306	32.306	12.000	4.735	67.451	
2002	2001	8.000	0.000	8.000	11.004	0.000	11.004	31.500	1.306	32.806	12.000	4.070	67.880	
2003	2002	8.000	0.000	8.000	11.007	0.000	11.007	31.500	1.306	32.806	12.000	3.910	67.723	
2004	2003	8.000	0.000	8.000	11.005	0.000	11.005	31.500	0.916	32.416	12.000	3.990	67.411	
2005	2004	8.000	0.000	8.000	11.005	0.000	11.005	32.000	0.000	32.000	12.000	3.913	66.918	
2006	2005	8.000	0.000	8.000	11.005	0.000	11.005	32.000	0.000	32.000	12.000	3.880	66.885	

Source: Campbell County Assessor

GENERAL GOVERNMENTAL FUNDS REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)
(Unaudited)

TABLE 8

Fiscal Year	Local Sources							County Sources		State Sources			Federal Sources		Total
	Taxes	Interest (1)	Tuition & Fees (1)	Rentals (1)	Charges for Services (1)	Contributions & Donations (1)	Other Local Revenue	Miscellaneous (1)	Taxes	Taxes	Taxes	Intergovernmental	Intergovernmental	Intergovernmental	
1997	\$ 40,396,914	N/A	N/A	N/A	N/A	N/A	\$ 3,645,930.00	N/A	8,474,801	\$ 171,800	\$ 0	\$ 0	1,978,572	\$ 54,668,017	
1998	42,109,558	N/A	N/A	N/A	N/A	N/A	4,183,921.00	N/A	9,431,556	5,666,270	0	0	2,371,710	63,762,995	
1999	36,843,067	N/A	N/A	N/A	N/A	N/A	2,770,195.00	N/A	8,845,084	8,142,214	0	0	3,469,038	60,069,598	
2000	38,218,609	N/A	N/A	N/A	N/A	N/A	2,319,741.00	N/A	9,280,281	7,701,143	0	0	4,278,008	61,797,782	
2001	38,888,797	N/A	N/A	N/A	N/A	N/A	2,290,648.00	N/A	8,759,983	2,727,322	0	0	4,701,172	57,367,922	
2002	50,414,322	457,382	441,855	33,751	503,441	163,595	4,602,926.00	442,456	11,718,285	3,450,299	1,403,884	0	5,010,559	78,642,755	
2003	50,047,834	243,119	469,864	29,621	448,400	294,122	5,483,836.00	395,756	12,058,310	4,066,544	478,511	0	5,076,803	79,092,720	
2004	51,994,888	221,793	385,972	41,664	511,732	237,083	5,699,311.00	2,120,369	11,133,885	3,123,263	391,842	0	5,804,466	81,666,268	
2005	57,743,950	931,296	443,238	50,899	394,464	184,705	0.00	378,247	13,521,611	29,579	7,035,151	0	5,850,154	86,563,584	
2006	67,371,197	2,403,857	528,323	47,754	480,781	272,491	0.00	2,217,249	15,990,906	0	4,290,852	0	6,556,265	100,159,675	

(1) N/A Not Available. With the GASB 34 reporting changes in State of Wyoming's Department of Education reclassified function groupings and expanded certain categories. Restating past years financials into the States' new GASB34 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.

PRINCIPAL TAXPAYERS (Top 50%)
 LAST TEN FISCAL YEARS

(Unaudited)

TABLE 9

TAXPAYER	TYPE OF BUSINESS	2006			1997		
		ASSESSED VALUE	RANK	% of Total Taxable Assessed Value	ASSESSED VALUE	RANK	% of Total Taxable Assessed Value
Powder River Coal Company	Coal	\$ 723,402,272	1	19.76%	\$ 191,185,632	2	13.08%
Thunder Basin Coal Company	Coal	550,739,705	2	15.05%	222,981,585	1	15.26%
Foundation Coal West Inc	Coal	232,704,691	3	6.36%			
Lance Oil & Gas Company	Oil/Gas	208,295,792	4	5.69%			
Jacobs Ranch Coal Company	Coal	200,401,620	5	5.47%	134,022,448	4	9.17%
AMAX Coal West Inc	Coal				167,132,087	3	11.43%
Caballo Coal Company	Coal				117,637,147	5	8.05%
Total		1,915,544,080		52.33%	832,958,899		56.99%
Assessed Value		3,660,527,493			1,461,667,279		

Source: State Agency - Economic Analysis & Campbell County Economic Development Corporation

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

(Unaudited)

TABLE 10

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Fiscal Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Tax Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Assessed Valuation	\$ 1,461,667,279	\$ 1,587,776,214	\$ 1,495,260,165	\$ 1,435,820,219	\$ 1,625,064,442	\$ 2,214,064,422	\$ 2,563,944,782	\$ 2,686,679,191	\$ 3,258,728,319	\$ 3,660,527,493
Debt Limit (1)	\$ 146,166,728	\$ 158,777,621	\$ 149,526,017	\$ 143,582,022	\$ 162,506,442	\$ 221,406,444	\$ 256,394,478	\$ 268,667,919	\$ 325,872,832	\$ 366,052,749
Bond Principal Outstanding on June 30, fiscal year	\$ 21,545,000	\$ 20,905,000	\$ 19,585,000	\$ 17,915,000	\$ 15,890,000	\$ 13,775,000	\$ 11,560,000	\$ 8,980,000	\$ 6,255,000	\$ 3,395,000
Legal debt margin	\$ 124,621,728	\$ 137,872,621	\$ 129,941,017	\$ 125,667,022	\$ 146,616,442	\$ 207,631,444	\$ 244,834,478	\$ 259,687,919	\$ 319,617,832	\$ 362,657,749
Total net debt applicable to the limit as a percentage of debt limit	14.74%	13.17%	13.10%	12.48%	9.78%	6.22%	4.51%	3.34%	1.92%	0.93%

(1) The debt limitation for unified school districts in Wyoming is 10% of the valuation of the taxable property in the district as certified by the count assessor. (W.S. 21-13-703)

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(Unaudited)

TABLE 11

Fiscal Year	General Obligation Bonds	Less Debt Service Fund	Net Bonded Debt	Estimated Actual Taxable Value of Property	Ratio of Net bonded Debt to Actual Taxable Value of Property	County Population (1)	Net Bonded Debt per Capita (2)
1997	\$ 21,545,000	\$ 142,034	\$ 21,402,966	\$ 4,075,656,804	0.53%	31,810	\$ 673
1998	20,905,000	241,560	20,663,440	4,307,804,105	0.48%	31,950	647
1999	19,585,000	420,935	19,164,065	4,258,105,130	0.45%	32,450	591
2000	17,915,000	717,491	17,197,509	4,450,293,023	0.39%	33,698	510
2001	15,890,000	1,346,345	14,543,655	4,659,303,697	0.31%	34,676	419
2002	13,775,000	2,687,291	11,087,709	5,729,823,768	0.19%	36,168	307
2003	11,560,000	4,463,883	7,096,117	6,775,004,265	0.10%	36,438	195
2004	8,980,000	5,370,375	3,609,625	7,108,629,105	0.05%	36,721	98
2005	6,255,000	3,789,189	2,465,811	7,870,968,065	0.03%	37,405	66
2006	3,395,000	2,296,280	1,098,720	8,564,715,607	0.01%	38,500	29

(1) State Agency - Economic Analysis & Campbell County Economic Development Corporation 2005 & 2006 est.

(2) Campbell County Assessor

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
LAST TEN FISCAL YEARS

(Unaudited)

TABLE 12

As of June 30,	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt Outstanding										
Campbell County School District - Net Debt Obligation	\$ 21,402,966	\$ 20,663,440	\$ 19,164,065	\$ 17,197,509	\$ 14,543,655	\$ 11,087,709	\$ 7,096,117	\$ 3,609,625	\$ 2,465,811	\$ 1,098,720
Campbell County Memorial Hospital District (1)	7,905,000	7,905,000	7,905,000	7,905,000	7,905,000	0	0	0	0	0
Total direct and overlapping dept	\$ 29,307,966	\$ 28,568,440	\$ 27,069,065	\$ 25,102,509	\$ 22,448,655	\$ 11,087,709	\$ 7,096,117	\$ 3,609,625	\$ 2,465,811	\$ 1,098,720
Percentage overlapping	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Campbell County Treasurer

(1) Hospital Bond paid off in one lump sum in fiscal year 2002

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

(Unaudited)

TABLE 13

Fiscal Year	County Population	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	Education Level in Years of Formal Schooling (1)	Average Daily Membership	Students as % of Population	Unemployment Rate
1997	31,810	N/A	N/A	N/A	N/A	7,796	24.51%	4.7%
1998	31,950	N/A	N/A	N/A	N/A	7,652	23.95%	4.2%
1999	32,450	N/A	N/A	N/A	N/A	7,546	23.25%	4.6%
2000	33,698	mean household 49,536	20,063	32	N/A	7,549	22.40%	3.2%
2001	34,676	N/A	N/A	N/A	N/A	7,430	21.43%	2.7%
2002	36,168	N/A	N/A	N/A	N/A	7,436	20.56%	3.0%
2003	36,438	N/A	N/A	N/A	N/A	7,294	20.02%	3.4%
2004	36,721	N/A	N/A	N/A	N/A	7,155	19.48%	2.9%
2005	37,405	N/A	N/A	N/A	N/A	7,141	19.09%	2.5%
2006	38,500	N/A	N/A	N/A	N/A	7,350	19.09%	1.5%

(1) Information at this level for each year could not be found for Campbell County Wyoming.

Information for the year 2000 came from the United States Census Bureau's 2000 Census, which is published every 10 years.

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

(Unaudited)

TABLE 14

Employer	Product	2006			1997		
		Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Rio Tinto Energy America	Coal Mining	1,795	1	7.47%	219	9	1.12%
Campbell County School District	Education	1,686	2	7.02%	1,527	1	7.78%
Powder River Coal Company	Coal Mining	1,500	3	6.25%			
Thunder Basin Coal Company	Coal Mining	1,100	4	4.58%	467	4	2.38%
Campbell County Memorial Hospital	Hospital	850	5	3.54%	651	5	3.32%
Campbell county Government	Government	553	6	2.30%	439	7	2.24%
Foundation Coal West	Coal Mining	480	7	2.00%	960	2	4.89%
Hettinger Welding	Welding	300	8	1.25%			
Wal-mart	Retail	230	9	0.96%			
Gillette City Government	Government	219	10	0.91%	185	11	0.94%
Burlington Northern - Sante Fe Railroad	Railroad				600	3	3.06%
Cyprus Anmax Coal West	Coal Mining				450	6	2.29%
Kerr-McGee Energy Co	Coal Mining				374	8	1.91%
Drummond Coal	Coal Mining				181	12	0.92%
Pacific Power and Light	Electric Projection				105	13	0.54%

Sources: Northeast Wyoming Economic Development Corporation and State of Wyoming Department of Employment, Research and Planning

Note: County employment numbers for percentage calculation. Year 2000 19,625 Year 2005 24,014

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OPERATING INFORMATION FOR CAMPBELL COUNTY SCHOOL DISTRICT
LAST TEN FISCAL YEARS

(Unaudited)

TABLE 15

	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
Number of Schools										
Elementary (5 rural)	15	15	15	15	15	15	15	15	15	15
Middle Schools (rural)	2	2	2	2	2	2	2	2	2	2
Junior High Schools	2	2	2	2	2	2	2	2	2	2
Jr/Sr High School	1	1	1	1	1	1	1	1	1	1
Senior High School	1	1	1	1	1	1	1	1	1	1
Alternative Transitional Center (specializing in at-risk students)	1	1	1	1	1	1	1	1	1	1
Total Schools	22	22	22	22	22	22	22	22	22	22
High School Graduates										
Campbell County School District	458	404	453	475	455	440	452	375	384	356
Wright Jr/Sr High	46	63	38	41	53	48	38	46	41	88
Westwood High School	49	72	35	43	36	47	28	72	53	76
Total Graduates	553	539	526	559	544	535	518	493	478	520
Student / Teacher Ratios										
Elementary	19.0:1	20.0:1	20.0:1	19.5:1	18.3:1	18.0:1	17.22:1	16.68:1	17.16:1	17.18:1
Secondary	22.0:1	22.0:1	22.0:1	20.8:1	14.2:1	15.4:1	17.46:1	15.76:1	15.35:1	19.9:1
Student Membership/Attendance										
Average Daily Membership	7,796	7,652	7,546	7,549	7,430	7,436	7,294	7,155	7,141	7,350
Average Daily Attendance	7,324	7,253	7,127	7,139	6,998	7,005	6,891	6,744	6,702	6,842
Percent of Attendance	93.95%	94.79%	94.45%	94.57%	94.19%	94.20%	94.47%	94.26%	93.85%	93.09%
General Fund Cost per Pupil based on ADM	\$ 6,175	\$ 6,331	\$ 6,614	\$ 6,956	\$ 7,024	\$ 7,575	\$ 8,866	\$ 9,257	\$ 8,848	\$ 10,156

	Fiscal Year 1997	Fiscal Year 1998	Fiscal Year 1999	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006
School District Employees										
Instructional Services										
Central Office Administrators	4	4	4	5	5	5	4	4	5	5
Principals & Assistant Principals	25	24	24	25	23	24	25	25	25	27
Teaching Staff	558	530	553	542	547	575	571	585	604	620
Substitute Teachers	194	138	158	128	132	228	205	205	144	180
Guidance Counselors	19	19	19	16	16	16	17	17	17	19
Media Specialists	11	12	12	12	12	12	12	12	12	13
Support Services										
Central Office Administrators	5	5	5	5	5	5	5	5	5	5
Specialists/Coordinators/Directors	0	0	0	0	0	0	0	0	0	7
Nurses, Psychologists, and Social Workers	25	24	24	23	25	25	28	28	28	48
Pupil Transportation	117	117	108	159	130	131	126	126	147	135
Personnel Services	5	6	7	5	6	5	5	5	5	6
Operation and Maintenance	104	137	113	102	116	104	107	107	109	103
Finance, Fiscal Services and Data Processing	14	16	16	17	15	14	14	14	15	16
School Bldg Clerical & Aides Support	377	366	354	338	352	272	269	269	314	421
General Laborer / Science Center	3	2	3	3	2	2	2	2	2	2
Print Shop	6	6	6	6	6	6	6	6	5	5
Purchasing/Warehouse/Mail Services	7	6	5	5	6	6	6	6	6	6
Food Service	53	56	60	43	57	52	51	51	56	68
Total School District Employees	1,527	1,468	1,471	1,434	1,455	1,482	1,453	1,467	1,499	1,686
Teacher Salaries										
Minimum	\$ 20,300	\$ 21,214	\$ 21,214	\$ 21,500	\$ 21,500	\$ 24,550	\$ 28,000	\$ 28,100	\$ 28,100	\$ 40,100
Maximum	45,472	46,386	47,939	49,410	51,385	54,604	55,095	56,450	56,730	74,900
Average	33,447	34,150	35,100	35,240	35,686	39,398	39,877	40,164	40,664	54,040

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SINGLE AUDIT

SECTION

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SHUCK, BENNETT & WEBER

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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

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

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, 2006, which collectively comprise the **District's** basic financial statements and have issued our report thereon dated July 28, 2006. 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 initiate, record, process, 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 06-1.

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 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 or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of **Campbell County School District No. 1** in a separate letter dated July 28, 2006.

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
July 28, 2006

SHUCK, BENNETT & WEBER

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

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

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 ON 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, 2006. 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 of 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, 2006.

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 06-1.

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
July 28, 2006

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2006

(Page 1 of 2)

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-2006-5966	\$ 55,289
Passed Through State of Wyoming Department of Education			
Carl Perkins, Vocational Education, FY04	84.048A	040VEC170Z	22,774
Carl Perkins, Vocational Education, FY05	84.048A	050VEC186Q	4,684
Carl Perkins, Vocational Education, FY05	84.048A	050VEA2569	35,561
Carl Perkins, Vocational Education, FY05	84.048A	050VEC181J	3,851
Carl Perkins, Vocational Education, FY06	84.048A	060VEA2569	102,213
Carl Perkins, Vocational Education, FY06	84.048A	060VEC165T	16,878
Tech-Prep Education, FY05	84.243A	050VEK898T	2,383
Title I, FY04	84.010A	04TIASIF2D	3,978
Title I, FY05	84.010A	050T1A256S	217,786
Title I, FY06	84.010A	060T1A256S	875,728
Title I, Neglected and Delinquent, FY05	84.010A	05NDS2256V	22,050
Title I, Neglected and Delinquent, FY06	84.010A	06NDS2256V	37,767
Title I, Even Start, FY05	84.213C	05EVST0068	14,200
Title I, Even Start, FY06	84.213C	06EVST001X	88,825
Title V, FY05	84.298A	0500T5256U	30,863
Title V, FY06	84.298A	0600T5256U	46,128
Drug Free Schools, FY05	84.186A	0521SIG02B	14,486
Drug Free Schools, FY05	84.186A	05SDFS256H	37,139
Drug Free Schools, FY06	84.186A	06SDFS256H	82,926
Title II D, Technology, FY05	84.318X	05T2DEETTD	23,824
Title II D, Technology, FY05	84.318X	050T2D2566	7,941
Title II D, Technology, FY06	84.318X	06T02D2566	40,790
Title II D, Technology, FY06	84.318X	06TIIDCOME	170,762
Title II A, FY05	84.367A	050T2A2569	139,258
Title II A, FY06	84.367A	060T2A2569	616,110
Part B, FY05	84.027A	05SPED0301	6,800
Part B, FY05	84.027A	05VIBA2566	535,171
Part B, FY06	84.027A	06VIBA2566	1,363,123
Part B, FY05	84.173A	05VIBP256M	3,896
Part B, FY06	84.173A	06VIBP256M	12,000
Title III, FY05	84.365A	0500T3256W	18,245
Title III, FY06	84.365A	0600T3256W	12,107
McKinney Homeless, FY04	84.196A	04HMLS022W	3,185
McKinney Homeless, FY04	84.196A	04HMLS022Z	9,500
McKinney Homeless, FY05	84.196A	05HMLS022W	7,562
21 st Century SIG, FY05	84.287C	0521SIG02A	65,130
21 st Century SIG, FY05	84.287C	0521C3C03A	92,586
21 st Century SIG, FY05	84.287C	0521CLC03A	22,661
21 st Century SIG, FY06	84.287C	0621C3C03A	38,728
21 st Century SIG, FY06	84.287C	0621SIG02A	12,718
21 st Century SIG, FY06	84.287C	0621CLC03A	18,610
Tobacco Free Schools SIG, FY05	-	0521SIG02D	8,887
Total U.S. Department of Education			\$ 4,945,103

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2006

(Page 2 of 2)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>Department of Health and Human Services</u>			
Passed Through State of Wyoming Department of Family Services			
TANF	93.558	-	\$ 6
Child Care Development Block Grant	93.575	-	7,237
Title IVE Foster Care	93.658	-	2
Social Service Block Grant	93.667	-	2
Passed Through State of Wyoming Department of Education			
Consolidated Knowledge Development and Application Program, FY04	93.230	0421SIG02C	3,957
Consolidated Knowledge Development and Application Program, FY05	93.230	0521SIG02C	91,363
Total U.S. Department of Health and Human Services			\$ 102,567
<u>Department of Labor</u>			
Passed Through State of Wyoming Department of Workforce Services			
Employment Services Division			
Work Investment Act - Youth Out-of-School	17.259	2617YO05W012	\$ 6,633
Work Investment Act - Youth In-School	17.259	2617Y105W016	1,962
Total U.S. Department of Labor			\$ 8,595
<u>Department of Agriculture</u>			
Passed Through the State of Wyoming Department of Education			
Food Distribution Program	10.550	-	\$ 84,173
National Breakfast Program	10.553	-	117,946
National School Lunch Program	10.555	-	558,995
Summer Food Service Program for Children	10.559	-	10,741
Total U.S. Department of Agriculture			\$ 771,855
<u>Department of Interior</u>			
Abandoned Mine Land Reclamation Program	15.252	-	\$ 1,500,000
Passed Through Campbell County, Wyoming Treasurer's Office			
Taylor Grazing Act	15.227	-	50,189
Total Department of Interior			\$ 1,550,189
Total Expenditures of Federal Awards			\$ 7,378,309

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, 2006**

(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 no
- Reportable condition(s) identified that are not considered to be material weakness(es)? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Reportable condition(s) identified that are not considered to be material weakness(es)? 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?

yes no

Identification of major programs:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Amount Expended</i>
10.553	National Breakfast Program	\$ 117,946
10.555	National School Lunch Program	558,995
10.559	Summer Food Service Program for Children	<u>10,741</u>
	Nutritional Cluster Total	<u>\$ 687,682</u>
15.252	Abandoned Mine Land Reclamation Program	<u>\$ 1,500,000</u>
84.010	Title I	<u>\$ 1,157,309</u>
84.213	Title I-Even Start	<u>\$ 103,025</u>
84.367	Title II-A	<u>\$ 755,368</u>

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

yes no

(Continued)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended **June 30, 2006**

(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 06-1 - 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 06-1 - 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, 2006

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.

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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, Paula Steiger, Chris Monger, Norma Miller & Staff

Campbell County Treasurer

Shirley Study, Becky Brazelton, Jackie Blikre & Staff

Campbell County Assessor

Jerry Shatzer & Staff