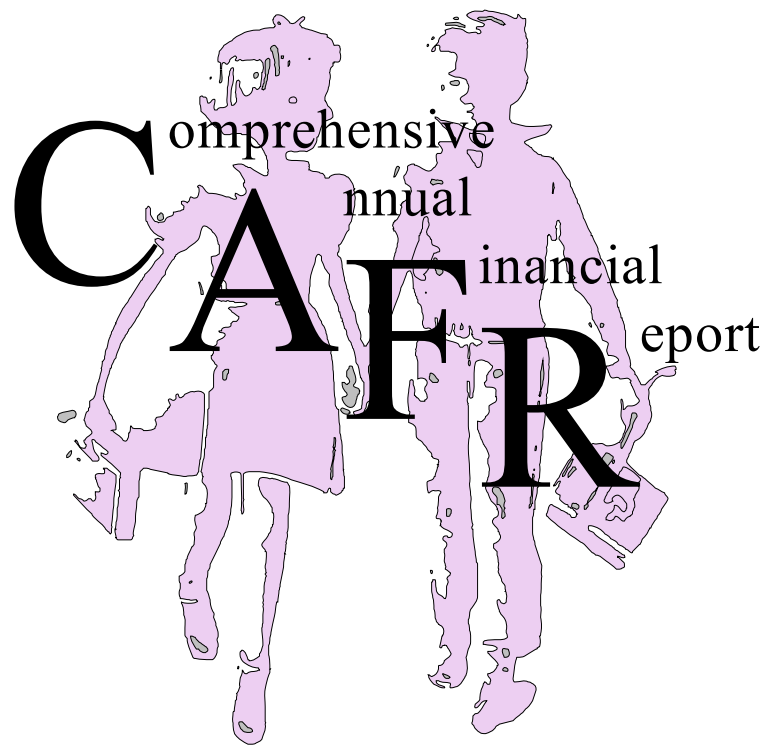


Campbell County
School District No.1
Gillette, Wyoming



"Teaching Effectively - Learning Successfully"

Fiscal Year Ended
June 30, 2004

GASB 34 Compliant

Prepared by the:

*Instructional Support Division,
Finance Department*

Rhea J. Betts
Accounting Manager

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT
OF
CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
GILLETTE, WYOMING
FOR THE FISCAL YEAR ENDED
JUNE 30, 2004**

BOYD BROWN, Associate Superintendent for Instructional Support

Prepared By Instructional Support Division, Finance 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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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 "

December 1, 2004

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 2004 Comprehensive Annual Financial Report (CAFR) of Campbell County School District No. 1, for the fiscal year ended June 30, 2004. 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 2003.
- 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 7,150 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 1,262 in 2003-2004. Of the total, 676 were certified staff including teachers, specialists, and administrators. Non certified staff including clerical, custodial, food services, aides, maintenance, and bus drivers totaled 586. Staff totals do not include substitutes.

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

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

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

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

MAJOR INITIATIVES

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

Testing

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

Campbell County School District No. 1 uses the TerraNova as the norm referenced assessment for grades three, five, six, seven and nine. The TerraNova is the same test that is included as part of WyCAS.

Median percentile scores for both types of assessment tests which includes Language Arts, Reading, and Math are seen in Figure One.

Figure One

Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 9	Grade 11
70 % ile	68 % ile	66 % ile	67 % ile	64 % ile	63 % ile	68 % ile	61 % ile

The average American College Testing (ACT) scores for Campbell County School District No.1 during the 2003-2004 school year were the highest recorded for the past several years, 21.4 for Campbell County High School, and 21.0 for Wright Junior/Senior High School. State and national averages were 21.4 and 20.9, respectively.

During 2003-2004, an average of 94.26% of Campbell County School District No. 1 students attended class each day, compared to 94.48% in 2002-2003; 94.2% in 2001-2003; 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 2003-2004 school year was 106 students, 3.13% of the secondary enrollment of the district. This percentage compares to 3.18% in the 2002-2003 school year, 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 have contributed to this relatively low dropout rate.

Westwood High School is the alternative high school for Campbell County School District No.1, 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 six years, 261 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)*, which is primarily a narrative introduction, overview and analysis to the basic financial statements, and can be found starting on page 3 in the Financial Section after the Independent Auditors Report.
- *District-wide Financial Statements*, also known as the Government-wide statements, which reports a clearer picture of the organization as a single unified entity. These new financial statements, the *Statement of Net Assets* and the *Statement of Activities* complement rather than replace traditional fund-based financial statements and must distinguish between governmental and business-type activities of the primary governments and its discretely presented component units by reporting each in separate columns. Fiduciary activities, whose resources are not available to finance school programs, are excluded from these reports.
- *Fund Financial Statements* which require districts to report information about their most important or major funds separately and with their non major funds combined. Campbell County School District No. 1 has three major funds that meet the major fund criteria for these reports, the General Fund, the 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 that 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, 2004, 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 2003-2004 school year for all governmental funds of \$221,793 represented 0.271 percent of the District's total governmental revenues. All cash and certificates of deposit of the District were at all times either insured by the Federal Deposit Insurance Corporation (FDIC), or were secured by collateral of at least 102 percent.

RISK MANAGEMENT

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

Figure One

Summary of Insurance Coverage		
Type of Claim	Amount of Coverage	Deductible
Claims governed by the Wyoming Governmental Claims Act: Each general liability claim to any claimant for any number of claims arising out of single transaction/occurrence	\$ 250,000	----
	\$ 500,000	----
Claims not governed by the Wyoming Governmental Claims Act: Each general liability claim	\$ 2,000,000	\$ 100,000
Excess liability	\$ 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 \$85,000 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; and after six months of employment, 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, 2003 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 the entire staff of the Finance Department. In particular, we would like to express our appreciation to Rhea Betts, the Accounting Manger 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

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1
FISCAL YEAR ENDED JUNE 30, 2004
LIST OF PRINCIPAL OFFICIALS

ELECTED OFFICIALS - BOARD OF TRUSTEES



Chairman
Robert Innes
(2000-2004)



Vice-Chairman
Debbie McLeland
(2002-2006)



Treasurer
Jerry Winter
(2000-2004)



Clerk/Asst. Treasurer
Susan Shippy
(2002-2006)



Trustee
David Fall
(2000-2004)



Trustee
Burke Jackson
(2000-2004)

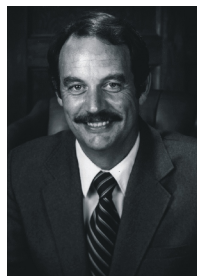


Trustee
Jeff Wagner
(2002-2006)

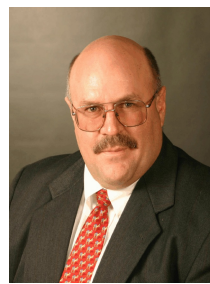
APPOINTED OFFICIALS



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



Superintendent
Mark A. Higdon, Ed.D.
(Resigned June 2004)



Associate Superintendent for
Instructional Support
Boyd A. Brown



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



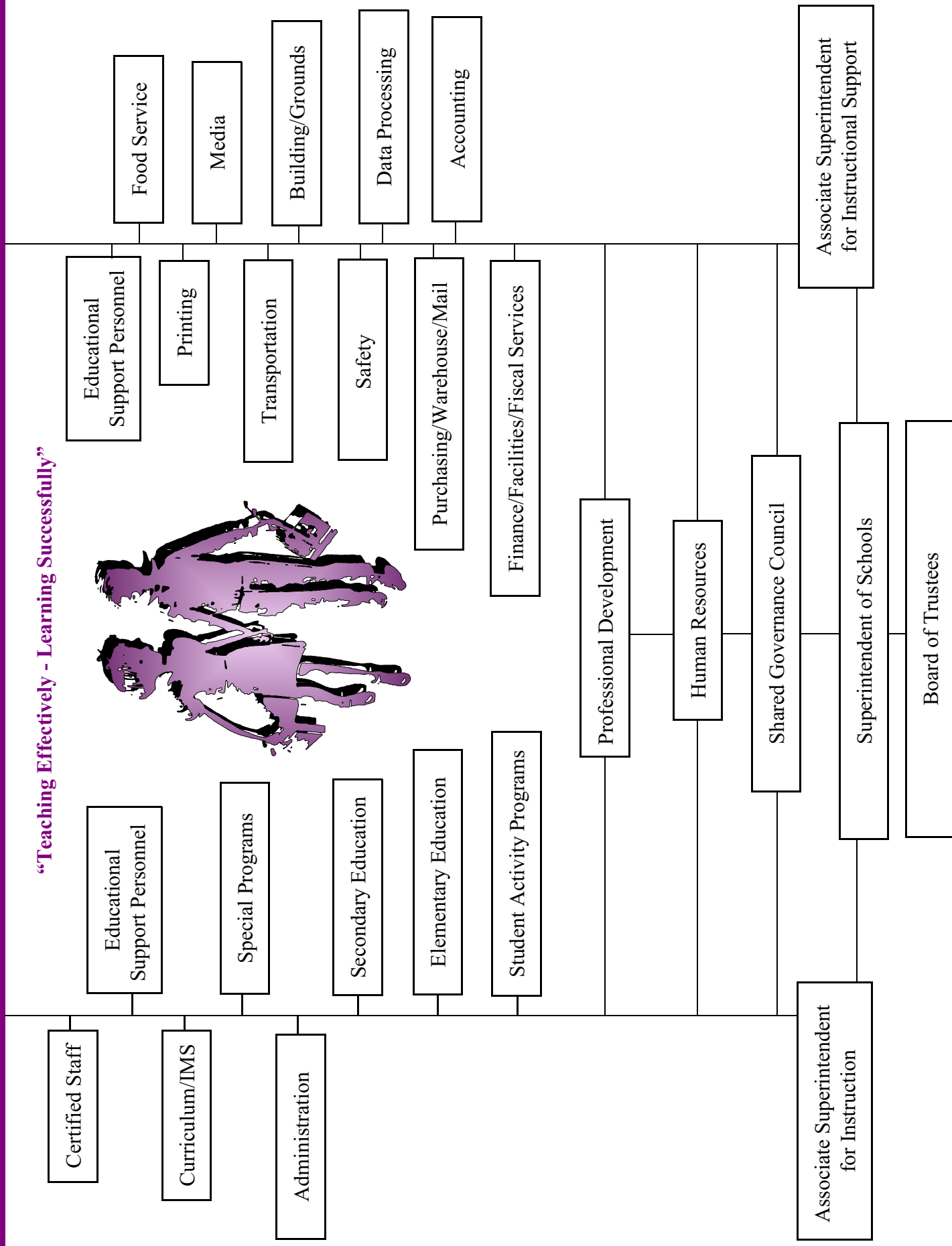
Assistant Superintendent for
Special Programs
Beth A. Norton



Assistant Superintendent for
Technology Education
Lyla R. Downey

Students of Campbell County School District #1

“Teaching Effectively - Learning Successfully”



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2003

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

William R. Hall
President

Barbara W. Keller
Executive Director

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FINANCIAL

SECTION

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SHUCK, BENNETT & WEBER
CERTIFIED PUBLIC ACCOUNTS AND CONSULTANTS

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

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

Telephone (307) 682-5250
Fax (307) 682-6938
sbw@newwaveis.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, 2004, 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 23, 2004 on our consideration of **Campbell County School District No. 1's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

Gillette, Wyoming
July 23, 2004

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2004

(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, 2004. 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 2004 are as follows:

- The district's financial status improved. In total, net assets increased \$4,436,612 which represents an 5.321 percent increase from fiscal year 2003.
- Overall revenues were \$80,260,331, exceeding expenses by \$4,436,612.
- General Revenues accounted for \$72,309,242 in revenue or 90.093 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 \$7,951,089 or 9.907 percent of total revenues of \$80,260,331.
- The district reduced its outstanding long-term debt by \$2,736,953 or 18.831 percent.
- The District had \$75,823,719 in expenses; only \$7,951,089 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$72,309,242 were adequate to provide for these programs
- Among major funds, the General fund had \$66,042,850 in revenues and \$66,236,044 in expenditures. The General Fund's balance increased \$538,405 over 2003.
- The net assets of governmental activities increased by 5.354 percent or \$4,454,637 and the net assets of the business-type activity decreased 9.681 percent or \$18,025.

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, 2004**

(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 divided 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 2004?" Business-type activities are where the District charges fees to help cover the costs of certain services it provides. In the District's case, there is only one business-type activity, the Enterprise Fund-Food Service. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all the current year's revenues and expenses regardless of when cash is received or paid. These two statements also report the net assets and changes in those assets. This change in net assets is important because it tells the reader if the financial position of the District as a whole has improved or diminished.

Reporting the District's Most Significant Funds

Fund financial statements

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

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 does not use any funds categorized as an internal service fund.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Unaudited - Continued)

Fiduciary funds statements

Fiduciary funds are held by the District as the trustee, or fiduciary, for assets that belong to others. The District has four funds in this category: the Agency Funds of Student Activities, Flexible Benefits, BOCES 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 2004 compared to 2003:

Figure A

Condensed Statement of Net Assets							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2003	2004	2003	2004	2003	2004	2003-2004
Current and other assets	\$ 21,386,030	\$ 25,595,786	\$ 114,747	\$ 112,245	\$ 21,500,777	\$ 25,708,031	19.568 %
Capital assets	85,341,119	84,694,065	89,229	74,115	85,430,348	84,768,180	(.775)%
Total Assets	106,727,149	110,289,851	203,976	186,360	106,931,125	110,476,211	3.315 %
Long-Term Liabilities	10,902,181	8,183,077	0	0	10,902,181	8,183,077	(24.941)%
Other Liabilities	12,627,381	14,454,550	17,787	18,196	12,645,168	14,472,746	14.453 %
Total Liabilities	23,529,562	22,637,627	17,787	18,196	23,547,349	22,655,823	(3.786)%
Net Assets							
Invested in capital assets, Net of related debt	71,564,430	73,677,938	89,229	74,115	71,653,659	73,752,053	2.929 %
Restricted	7,244,967	9,281,925	0	0	7,244,967	9,281,925	28.116 %
Unrestricted	4,388,190	4,692,361	96,960	94,049	4,485,150	4,786,410	6.717 %
Total Net Assets	\$ 83,197,587	\$ 87,652,224	\$ 186,189	\$ 168,164	\$ 83,383,776	\$ 87,820,388	5.321 %

The District's combined net assets were higher on June 30, 2004, than they were on June 30, 2003, increasing more than 5.321 percent to \$87,820,388 (See Figure Table A). This improvement in the district's financial position came from its governmental activities, with its net assets increasing \$4,454,637 to \$87,652,224. The net assets of the District's business-type activities decreased \$18,025 to \$168,164.

Changes in net assets

The District's total revenues were \$80,260,331. (See Figure B)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Unaudited - Continued)

Figure B

Changes in Net Assets from Operating Results							
	Governmental Activities		Business-type Activities		Total School District		Total Percentage Change
	2003	2004	2003	2004	2003	2004	2003-2004
Revenues							
Program revenues:							
Charges for Services	\$ 947,885	\$ 939,368	\$ 1,437,485	\$ 1,628,421	\$ 2,385,370	\$ 2,567,789	7.647 %
Operating Grants and Contributions	4,460,219	4,770,890	518,659	612,410	4,978,878	5,383,300	8.123 %
Capital Grants and Contributions	0	0	-	-	0	0	-
General Revenues:							
Taxes: Property levied - specific	65,052,266	67,471,290	-	-	65,052,266	67,471,290	3.719 %
Grants and Contributions not restricted	139,218	162,501	-	-	139,218	162,501	16.724 %
Capital Grants restricted for debt service	1,250,000	1,500,000	-	-	1,250,000	1,500,000	20.000 %
Interest	243,119	221,793	3,717	1,364	246,836	223,157	(9.593)%
Other Local Revenue	1,960,143	2,018,820	-	-	1,960,143	2,018,820	2.994 %
Miscellaneous	395,756	917,291	-	-	395,756	917,291	131.782 %
Gain (loss) on Sale of Capital Assets	71,622	16,183	(375)	-	71,247	16,183	(77.286)%
Transfers	(5,000)	(5,000)	5,000	5,000	0	0	-
Total Revenues	74,515,228	78,013,136	1,964,486	2,247,195	76,479,714	80,260,331	4.943 %
Expenses							
Governmental Activities							
Instruction	39,563,194	40,308,574	-	-	39,563,194	40,308,574	1.884 %
Pupil and Instructional Staff	9,791,560	9,903,822	-	-	9,791,560	9,903,822	1.147 %
General, School and Business Administration	5,881,729	6,304,993	-	-	5,881,729	6,304,993	7.196 %
Operation and Maintenance of Plant	7,133,378	7,693,871	-	-	7,133,378	7,693,871	7.857 %
Pupil Transportation	3,562,678	3,698,771	-	-	3,562,678	3,698,771	3.820 %
Central	5,409,516	3,710,442	-	-	5,409,516	3,710,442	(31.409)%
Other Support Services	162,706	155,440	-	-	162,706	155,440	(4.466)%
Community Support - Non Instructional Services	807,865	1,014,168	-	-	807,865	1,014,168	25.537 %
Debt Service	897,798	768,418	-	-	897,798	768,418	(14.411)%
Other - Food Service	0	0	2,154,632	2,265,220	2,154,632	2,265,220	5.133 %
Total Expenses	73,210,424	73,558,499	2,154,632	2,265,220	75,365,056	75,823,719	.609 %
Excess (deficiency) before special item	1,304,804	4,454,637	(190,146)	(18,025)	1,114,658	4,436,612	298.025 %
Special - gain on sale of capital assets	0	0	-	-	0	0	-
Increase (decrease) in Net Asset:	1,304,804	4,454,637	(190,146)	(18,025)	1,114,658	4,436,612	298.025 %
Net Assets - Beginning Fiscal Year	81,892,783	83,197,587	376,335	186,189	82,269,118	83,383,776	1.355 %
Net Assets - Ending Fiscal Year	\$83,197,587	\$87,652,224	\$ 186,189	\$ 168,164	\$83,383,776	\$87,820,388	5.321 %

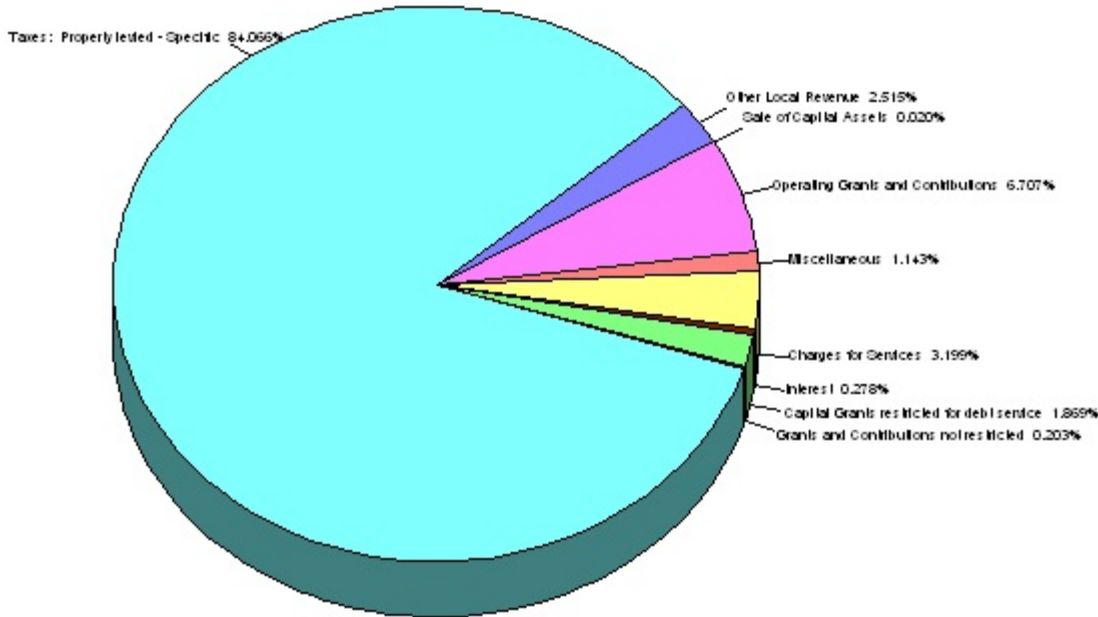
CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Unaudited - Continued)**

Of total revenues, property taxes of \$67,471,290 accounted for most of the District's revenue or 84.066 percent. Local, state and federal aid for specific programs contributed \$5,383,300 or 6.707 percent, with charges for service of \$2,567,789 or 3.199 percent, capital grants restricted for debt service of \$1,500,000 or 1.869 percent, grants and contributions not restricted of \$162,501 or .203 percent. The remainder, \$3,175,451 or 3.956 percent, resulted from interest earnings, other local revenue, and miscellaneous sources.

Sources of Revenues for Fiscal Year 2004

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



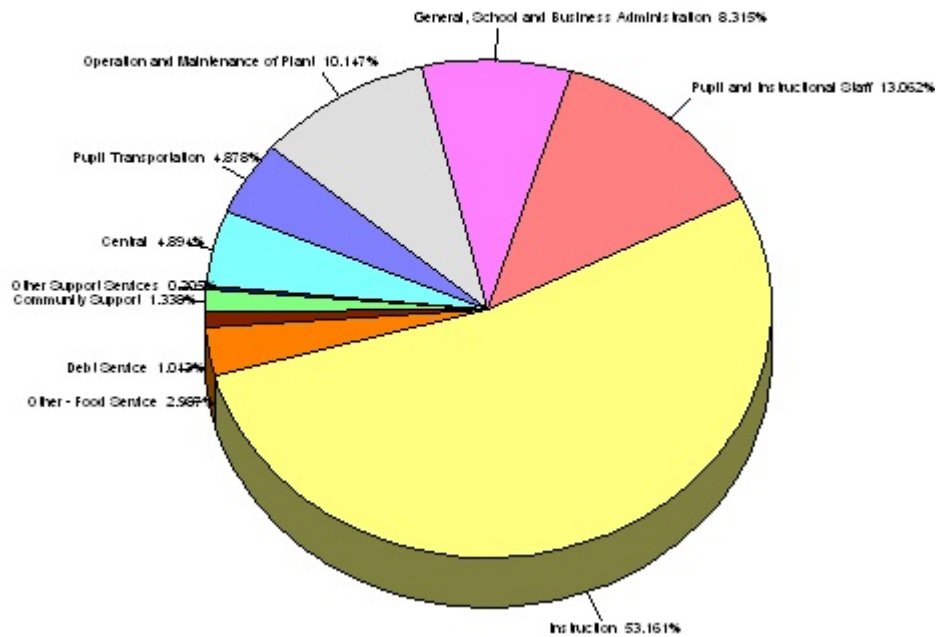
Local, state and federal aid for specific programs contributed \$5,383,300 or 6.707 percent, with charges for service of \$2,567,789 or 3.199 percent, capital grants restricted for debt service of \$1,500,000 or 1.869 percent, grants and contributions not restricted of \$162,501 or .203 percent. The remainder, \$3,175,451 or 3.956 percent, resulted from interest earnings, other local revenue, and miscellaneous sources.

The total cost of all programs and services were \$75,823,719. Of the District's expenses, \$50,212,396 or 66.223 percent are directly related to the areas of instruction, and pupil and instructional staff. Pupil transportation with costs of \$3,698,771 represents 4.878 percent, operational and maintenance of plant services costs totaled \$7,693,871 or 10.147 percent of total expenses. The areas of administration: general, school and business, had expenses totaling \$6,304,993 or 8.315 percent. Central, which is the office of human resources and the costs associated with the self-funded health insurance program, totaled \$3,710,442 or 4.894 percent of total expenses, debt service expenses totaled \$768,418 or 1.013 percent. Other support services and community support expenses totaling \$1,169,608 represent 1.543 percent while the enterprise fund-food service totaled \$2,265,220 or 2.987 percent of total District expenses.

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Sources of Expenditures for Fiscal Year 2004

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



percent are directly related to the areas of instruction, and pupil and instructional staff. Pupil transportation with costs of \$3,698,771 represents 4.878 percent, operational and maintenance of plant services costs totaled \$7,693,871 or 10.147 percent of total expenses. The areas of administration: general, school and business, had expenses totaling \$6,304,993 or 8.315 percent. Central, which is the office of human resources and the costs associated with the self-funded health insurance program, totaled \$3,710,442 or 4.894 percent of total expenses, debt service expenses totaled \$768,418 or 1.013 percent. Other support services and community support expenses totaling \$1,169,608 represent 1.543 percent while the enterprise fund-food service totaled \$2,265,220 or 2.987 percent of total District expenses.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

(Unaudited - Continued)

Total revenues surpassed expenses, increasing net assets by \$4,436,612. The governmental activities contributed to the Districts financial health this fiscal year while the business-type activities of the Enterprise Fund-Food Service ended with a reduction of \$18,025 to its net assets.

Governmental Activities

Revenues

Specific revenue source changes for 2003-2004 compared to 2002-2003 were:

- From local and county sources, an additional \$2,875,835 was received due to an increased assessed valuation.
- From the State of Wyoming, a reduction in major maintenance funding caused a decrease of \$1,029,950.
- From federal sources, an additional \$727,663 was received for new and increased funding of special revenue grant projects

Expenses

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

Figure C

Net Cost of Governmental Activities						
	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2003	2004		2003	2004	
Instruction	\$ 39,563,194	\$ 40,308,574	1.884 %	\$ 36,151,343	\$ 36,694,972	1.504 %
Pupil and Instructional Staff	9,791,560	9,903,822	1.147 %	8,727,012	8,587,638	(1.597)%
General, School and Business Administration	5,881,729	6,304,993	7.196 %	5,674,183	6,092,337	7.369 %
Operation and Maintenance of Plant	7,133,378	7,693,871	7.857 %	7,122,317	7,666,852	7.646 %
Pupil Transportation	3,562,678	3,698,771	3.820 %	3,549,829	3,688,597	3.909 %
Central	5,409,516	3,710,442	(31.409)%	5,209,286	3,706,442	(28.849)%
Other Support Services	162,706	155,440	(4.466)%	71,904	36,274	(49.552)%
Operation on Non- Instructional Service - Community	807,865	1,014,168	25.537 %	398,648	606,711	52.192 %
Debt Service	897,798	768,418	(14.411)%	897,798	768,418	(14.411)%
Total	\$ 73,210,424	\$ 73,558,499	.475 %	\$ 67,802,320	\$ 67,848,241	.068 %

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2004 (Unaudited - Continued)

Governmental Activities - Expenses (continued)

Total cost of governmental activities for 2003-2004 totaled \$73,558,499. 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 \$4,770,890 and Charges for Services of \$939,368 are deducted bringing the total net cost of services to \$67,848,241.

Specific fund expenditure changes before GASB 34 adjustments for 2003-2004 compared to 2002-2003 showed:

- Special revenue fund expenditures in total decreased by \$61,868. Three of the eight special revenue fund groupings had significant changes worth mentioning. Increased spending was seen by the Campbell County Community Public Recreation District (CCCPRD) which added \$116,177 in spending and an additional \$448,279 was due to increased awards to the District from federal and state grant sources. Decreased funding from the State of Wyoming for major maintenance project expenditures resulted in a reduction of \$441,911. The remaining five special revenue fund groupings each had smaller adjustments which in total accounted for the remaining decrease of \$184,413.
- The general fund expenditures increase of \$1,563,879 was due to overall increases in each of the spending areas. Spending in areas directly in contact with students increased \$281,280; instruction by \$186,194 and pupil and instructional staff by \$95,086. Administrative and Business areas increased \$380,756, maintenance by \$305,077, transportation services \$136,093, central \$294,524, with debt service increasing by \$156,510. The only spending area, other support, showing a decrease was caused by a reclassification of data processing services up to the business area per the state of Wyoming change request.
- An overall increase in debt service fund expenses of \$248,713.
- An overall decrease in capital construction fund spending of \$96,690.

Business-Type Activities

Revenues of the District's business-type activities increased 14.391 percent to \$2,247,195 and expenses rose 5.133 percent to \$2,265,220. (refer to Figure B) Food Service expenses exceeded revenues by \$18,025, accounting for the decrease in the net assets of the business-type activities.

Financial Analysis of the District's Funds

General Fund Budgetary Highlights

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

Although the District's final budget for the general fund anticipated that revenues and expenditures would result with a deficit of \$2,969,050 which were to be covered by contingency funding, the actual results for the year show a \$1,091,567 surplus. The actual revenues were \$66,596,012 or \$240,009 higher than expected. Local and Federal sources brought in an additional \$1,389,011 while County and State sources brought in \$1,149,002 less than budgeted.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Unaudited - Continued)**

The actual General Fund expenditures were \$66,236,044 or \$3,803,675 below budget. With the anticipated budget containing a \$2,981,131 contingency actual expenditures show an additional savings \$822,544. The General Fund expenditures had one area, Vocational Education, which exceed its budget appropriations for fiscal year 2003 - 2004 and was due to the use of a substitute teacher for a business education teacher during an extended illness.

Capital Asset and Debt Administration

Capital Assets

By the end of June 30, 2004 the District's governmental activities had invested \$150,018,005, 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 \$2,023,944 or 1.368% from fiscal year 2002-2003. Total depreciation expense for the year was \$3,958,641 which brings total accumulated depreciation to \$65,323,940 for fiscal year ending June 30, 2004. (See Figure D)

Governmental Activities in Capital Assets had no changes in land holdings; increases totaling \$1,249,867 in the areas of Buildings and Buildings Improvements, and Improvements other than Buildings; increases of \$513,892 for new vehicles and new capital asset equipment.

At fiscal year end, the District had contractual purchase commitments totaling \$897,044, which will be funded by the Special Revenue Fund - Major Maintenance. 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
	2003	2004	2003	2004	2003	2004	2003-2004
Land	\$ 5,095,923	\$5,095,923	-	-	\$ 5,095,923	\$5,095,923	0 %
Buildings and Building Improvements	73,911,629	72,334,536	-	-	73,911,629	72,334,536	(2.134)%
Improvements other than Buildings	1,648,186	1,522,127	-	-	1,648,186	1,522,127	(7.648)%
Equipment and Vehicles	4,613,184	4,844,435	89,229	74,115	4,702,413	4,918,550	4.596 %
Construction in Progress	72,197	897,044	-	-	72,197	897,044	1,142.495 %
Total	\$85,341,119	\$84,694,065	\$ 89,229	\$ 74,115	\$85,430,348	\$84,768,180	(.775)%

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Unaudited - Continued)**

Debt Administration / Long Term Debt

On June 30, 2004, the District had \$11,797,021 in general obligation bonds and other long-term debt outstanding or a reduction of 18.831 % from June 30, 2003 as shown in Figure E. (More detailed information about the District’s long-term liabilities is presented in Note 3 H of the Notes to the Basic Financial Statements.) On June 30, 2004, the District’s overall legal debt limit was \$268,667,919 leaving a legal debt margin of \$259,687,919 available.

Figure E

Outstanding LongTerm Debt			
	Total School District		Total Percentage Change
	2003	2004	2003-2004
General obligation bonds & note	\$11,560,000	\$ 8,980,000	(22.318) %
Other general obligation debt - Capital leases	2,216,689	2,036,127	(8.146) %
Other general obligation debt - Sick Leave Payable	757,285	780,894	3.118 %
Total	\$14,533,974	\$11,797,021	(18.831) %

Factors Bearing on the District’s Future

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

- In the state of Wyoming a portion of all school district’s general fund allotments are determined based on their student enrollment numbers. (Wyoming School Foundation Program) Campbell County School District No. 1 over the past ten years has seen a decline in enrollment, also called the Average Daily Membership (ADM), of 859 students. The District’s 2003-2004 ADM total of 7,155 students was 139 students less than in 2002-2003. The declining enrollment is a concern. The size of incoming kindergarten classes has increased for two consecutive years, but have not reached the size of the upper grade level classes. The local economy continues to be strong, which is demonstrated by several factors. The counties assessed valuation has risen dramatically, due to record setting coal production and the production of coal bed methane. The county’s overall population is increasing. The number of commercial and residential building permits shows explosive growth in the number of structures being built. There continues to be excellent potential for construction of new electrical power generation facilities. These indicators leave us cautiously optimistic that the decline in enrollment will be reversed.
- With the increasing assessed valuation for Campbell County, and the increased amount the District pays into the Wyoming foundation program in recapture payments, the maximum recapture limitation may be reached in the near future. The Wyoming foundation program which requires school districts to send tax revenues in excess of allocations has an elaborate formula that, barring any unforeseen legislative changes, might mean more local tax money is allowed to be kept by the District. However, this calculation is not computed by the state of Wyoming Department of Education until the following July of each fiscal year, and such will not be considered revenue for any current fiscal year.
- A major issue facing all Wyoming school districts is the state funding allocation formula. In 1986 the Wyoming Legislature implemented a new school finance system which brings money into the state from two areas for redistribution to Wyoming school districts based on a cost-based formula. The first area where the State of Wyoming receives funding, to finance this new school finance system is through a 12-mill county assessment and the second is from school districts which receive monies from their standard mill assessment over the established guaranteed

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004
(Unaudited - Continued)**

funding amount. Since 1987 Campbell County has paid into the State of Wyoming's School Foundation Program more than \$573,645,983, \$348,141,988 from the 12 mill county assessment and from Campbell County School District No.1, in recapture payments, an additional \$225,503,995.

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, 2004 litigation is still pending, no court date has been set.

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, 2004

	Primary Government			Component
	Governmental Activities	Business- Type Activities	Total	Unit BOCHES
ASSETS				
Cash	\$ 361,587	\$ 6,414	\$ 368,001	\$ 315,320
Cash With Fiscal Agent	5,362,061	-	5,362,061	-
Temporary Investments	15,368,711	64,059	15,432,770	10,220
Taxes Receivable (net of allowance for uncollectibles)	3,361,018	-	3,361,018	6,381
Interest Receivable	952	5	957	-
Other Accounts Receivable	219,736	5,466	225,202	-
Due From Other Governments	227,584	801	228,385	-
Inventories	694,137	35,500	729,637	-
Capital Assets:				
Non-depreciable Capital Assets	5,992,967	-	5,992,967	-
Depreciable Capital Assets, Net	78,701,098	74,115	78,775,213	-
Total Assets	\$ 110,289,851	\$ 186,360	\$ 110,476,211	\$ 331,921
LIABILITIES				
Accounts Payable	\$ 239,404	\$ 18,196	\$ 257,600	\$ -
Accrued Compensation	4,957,700	-	4,957,700	-
Contracts and Retainage Payable	291,382	-	291,382	-
State Foundation Payable	2,087,000	-	2,087,000	-
Estimated Claims Payable	713,000	-	713,000	-
Deferred Revenue	1,220,191	-	1,220,191	-
Due To Other Entities	1,331,929	-	1,331,929	-
Noncurrent Liabilities:				
Due Within One Year	3,613,944	-	3,613,944	-
Due Within More Than One Year	8,183,077	-	8,183,077	-
Total Liabilities	\$ 22,637,627	\$ 18,196	\$ 22,655,823	\$ -
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 73,677,938	\$ 74,115	\$ 73,752,053	\$ -
Restricted for:				
Debt Service	5,370,375	-	5,370,375	-
Capital Projects	3,911,550	-	3,911,550	-
Unrestricted	4,692,361	94,049	4,786,410	331,921
Total Net Assets	\$ 87,652,224	\$ 168,164	\$ 87,820,388	\$ 331,921

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2004

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary Government			
Governmental Activities:			
Instruction:			
Regular	\$ 29,368,871	\$ 281,702	\$ 1,597,125
Special Education	8,146,927	25,609	1,350,067
Vocational	2,776,551	95,226	247,648
Adult/Continuing	16,225	-	16,225
Support Services:			
Pupil	5,800,356	190,027	102,654
Instructional Staff	4,103,466	11,484	1,012,019
General Administration	880,087	5,130	-
School Administration	3,864,100	130,651	1,901
Business	1,560,806	24,692	50,282
Operation and Maintenance of Plant	7,693,871	14,019	13,000
Pupil Transportation	3,698,771	10,174	-
Central	3,710,442	-	4,000
Other Support Services	155,440	-	119,166
Operation of Non-Instructional Services:			
Community Services	1,014,168	150,654	256,803
Debt Service:			
Interest on Long Term Debt	768,418	-	-
Total Governmental Activities	\$ 73,558,499	\$ 939,368	\$ 4,770,890
Business-type Activities:			
Food Service	\$ 2,265,220	\$ 1,628,421	\$ 612,410
Total Primary Government	\$ 75,823,719	\$ 2,567,789	\$ 5,383,300
Component Unit:			
BOCHES	\$ 1,620,524		
General Revenues:			
Taxes:			
Property Taxes, levied for general purposes			
Property Taxes, levied for debt service			
Property Taxes, levied for capital construction			
Property Taxes, levied for major building and facility maintenance			
Property Taxes, levied for public recreation			
Grants and Contributions not restricted to specific programs			
Capital Grant restricted for debt service			
Interest			
Other Local Revenue			
Miscellaneous			
Gain (loss) on sale of capital assets			
Transfers			
Total General Revenues and Transfers			
Change in Net Assets			
Net Assets, Beginning July 1			
Net Assets, Ending June 30			

See Notes to the Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Assets				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Totals	BOCHES	
\$ (27,490,044)	\$ -	\$ (27,490,044)	\$ -	
(6,771,251)	-	(6,771,251)	-	
(2,433,677)	-	(2,433,677)	-	
-	-	-	-	
(5,507,675)	-	(5,507,675)	-	
(3,079,963)	-	(3,079,963)	-	
(874,957)	-	(874,957)	-	
(3,731,548)	-	(3,731,548)	-	
(1,485,832)	-	(1,485,832)	-	
(7,666,852)	-	(7,666,852)	-	
(3,688,597)	-	(3,688,597)	-	
(3,706,442)	-	(3,706,442)	-	
(36,274)	-	(36,274)	-	
(606,711)	-	(606,711)	-	
(768,418)	-	(768,418)	-	
\$ (67,848,241)	\$ -	\$ (67,848,241)	\$ -	
\$ -	\$ (24,389)	\$ (24,389)	\$ -	
\$ (67,848,241)	\$ (24,389)	\$ (67,872,630)	\$ -	
\$ -	\$ -	\$ -	\$ (1,620,524)	
\$ 60,325,775	\$ -	\$ 60,325,775	\$ 1,600,325	
2,665,903	-	2,665,903	-	
4,020	-	4,020	-	
3,093,138	-	3,093,138	-	
1,382,454	-	1,382,454	-	
162,501	-	162,501	-	
1,500,000	-	1,500,000	-	
221,793	1,364	223,157	559	
2,018,820	-	2,018,820	-	
917,291	-	917,291	-	
16,183	-	16,183	-	
(5,000)	5,000	-	-	
\$ 72,302,878	\$ 6,364	\$ 72,309,242	\$ 1,600,884	
\$ 4,454,637	\$ (18,025)	\$ 4,436,612	\$ (19,640)	
83,197,587	186,189	83,383,776	351,561	
\$ 87,652,224	\$ 168,164	\$ 87,820,388	\$ 331,921	

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2004**

	General Fund	Debt Service	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 3,841	\$ -	\$ -	\$ 357,746	\$ 361,587
Cash With Fiscal Agent	-	5,362,061	-	-	5,362,061
Temporary Investments	9,206,508	-	3,318,690	2,843,513	15,368,711
Taxes Receivable (net of allowance for uncollectibles)	3,197,527	120,654	912	41,925	3,361,018
Interest Receivable	702	-	117	133	952
Other Accounts Receivable	219,736	-	-	-	219,736
Due From Other Funds	209,960	-	81,432	458,184	749,576
Due From Other Governments	18,234	-	-	209,350	227,584
Inventories	689,259	-	2,514	2,364	694,137
Total Assets	\$13,545,767	\$ 5,482,715	\$ 3,403,665	\$ 3,913,215	\$ 26,345,362
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 220,242	\$ -	\$ -	\$ 19,162	\$ 239,404
Accrued Compensation	4,957,700	-	-	-	4,957,700
Contracts and Retainage Payable	-	-	3,768	287,614	291,382
State Foundation Payable	2,087,000	-	-	-	2,087,000
Estimated Claims Payable	713,000	-	-	-	713,000
Due To Other Funds	539,616	-	-	209,960	749,576
Deferred Revenue	2,881,045	112,340	912	37,385	3,031,682
Sick Leave Payable	-	-	-	49,210	49,210
Due To Other Entities	1,331,929	-	-	-	1,331,929
Total Liabilities	\$12,730,532	\$ 112,340	\$ 4,680	\$ 603,331	\$ 13,450,883
FUND BALANCES					
Fund Balances					
Reserved for:					
Encumbrances	\$ 62,933	\$ -	\$ -	\$ 1,496,044	\$ 1,558,977
Debt Service	-	5,370,375	-	-	5,370,375
Capital Projects	-	-	3,398,985	512,565	3,911,550
Unreserved:					
Undesignated, Reported in:					
General Fund	752,302	-	-	-	752,302
Special Revenue Funds	-	-	-	1,301,275	1,301,275
Total Fund Balances	\$ 815,235	\$ 5,370,375	\$ 3,398,985	\$ 3,309,884	\$ 12,894,479
Total Liabilities and Fund Balances	\$13,545,767	\$ 5,482,715	\$ 3,403,665	\$ 3,913,215	\$ 26,345,362

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, 2004

Total Governmental Fund Balances	\$ 12,894,479
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.	3,014,569
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Non-depreciable capital assets	5,992,967
Depreciable assets	144,025,038
Less: accumulated depreciation	<u>(65,323,940)</u>
	84,694,065
Unexpended hail damage insurance proceeds which are available to pay for current-period expenditures and, therefore, are reflected as revenue in the funds but are reflected as a liability in governmental activities.	(1,203,078)
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	8,980,000
Capital Lease Payable	2,036,127
Sick Leave Payable	<u>731,684</u>
	(11,747,811)
Net Assets of Governmental Activities	\$ 87,652,224

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, 2004

(Page 1 of 2)

	General Fund	Debt Service	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Local Sources:					
Taxes	\$ 48,004,441	\$ 2,623,582	\$ 5,097	\$ 1,361,768	\$ 51,994,888
Interest	181,201	-	19,086	21,506	221,793
Tuition and Fees	70,452	-	-	315,520	385,972
Rentals	23,624	-	-	18,040	41,664
Charges for Services	20,437	-	-	491,295	511,732
Contributions & Donations	105,808	-	-	131,275	237,083
Other Local Revenue	5,699,311	-	-	-	5,699,311
Miscellaneous	593,762	-	1,203,078	323,529	2,120,369
Total Local Sources	\$ 54,699,036	\$ 2,623,582	\$ 1,227,261	\$ 2,662,933	\$ 61,212,812
County Sources:					
Taxes	\$ 11,132,403	\$ -	\$ -	\$ 1,482	\$ 11,133,885
State Sources:					
Taxes	\$ 30,125	\$ -	\$ -	\$ 3,093,138	\$ 3,123,263
Intergovernmental	87,659	-	-	304,183	391,842
Total State Sources	\$ 117,784	\$ -	\$ -	\$ 3,397,321	\$ 3,515,105
Federal Sources:					
Intergovernmental	\$ 93,627	\$ 1,500,000	\$ -	\$ 4,210,839	\$ 5,804,466
Total Revenues	\$ 66,042,850	\$ 4,123,582	\$ 1,227,261	\$ 10,272,575	\$ 81,666,268
EXPENDITURES					
Current:					
Instruction:					
Regular	\$ 23,489,819	\$ -	\$ -	\$ 2,010,364	\$ 25,500,183
Special Education	6,229,650	-	-	1,953,473	8,183,123
Vocational Education	2,244,840	-	-	541,791	2,786,631
Adult/Continuing	-	-	-	16,225	16,225
Support Services:					
Pupil	5,533,569	-	-	275,928	5,809,497
Instructional Staff	2,974,199	-	-	1,147,411	4,121,610
General Administration	780,538	-	-	42,873	823,411
School Administration	3,737,751	-	-	126,349	3,864,100
Business	1,489,557	-	-	74,384	1,563,941
Operation and Maintenance of Plant	6,730,239	-	-	876,726	7,606,965
Pupil Transportation	3,698,771	-	-	-	3,698,771
Central	6,952,927	-	-	382,802	7,335,729
Other Support	39,823	-	-	115,617	155,440
Operation of Non-Instructional Service:					
Community Services	123,445	-	-	909,295	1,032,740
Capital Outlay	934,466	-	80,701	2,239,009	3,254,176
Debt service:					
Interest	131,328	637,090	-	-	768,418
Principal	1,145,122	2,580,000	-	-	3,725,122
Total Expenditures	\$ 66,236,044	\$ 3,217,090	\$ 80,701	\$ 10,712,247	\$ 80,246,082
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ (193,194)	\$ 906,492	\$ 1,146,560	\$ (439,672)	\$ 1,420,186

(Continued)

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

Year Ended June 30, 2004

(Page 2 of 2)

	General Fund	Debt Service	Capital Construction	Non-Major Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 150,000	\$ -	\$ 202,090	\$ 310,000	\$ 662,090
Transfers (Out)	(390,800)	-	(155,000)	(121,290)	(667,090)
Proceeds From Capital Lease	964,560	-	-	-	964,560
Sale of Capital Assets	7,839	-	-	-	7,839
Total Other Financing Sources	\$ 731,599	\$ -	\$ 47,090	\$ 188,710	\$ 967,399
Net Change in Fund Balances	\$ 538,405	\$ 906,492	\$ 1,193,650	\$ (250,962)	\$ 2,387,585
FUND BALANCES, BEGINNING JULY 1	276,830	4,463,883	2,205,335	3,560,846	10,506,894
FUND BALANCES, ENDING JUNE 30	\$ 815,235	\$ 5,370,375	\$ 3,398,985	\$ 3,309,884	\$ 12,894,479

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, 2004

Net Change in Fund Balances - Total Governmental Funds	\$ 2,387,585
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.	1,219,254
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.	(640,749)
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.	(6,305)
Hail damage insurance proceeds provide current financial resources to governmental funds, but these proceeds are recorded as a liability in the statement of net assets until such time as the related repair expense is incurred.	(1,203,078)
Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets.	(964,560)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	2,580,000
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.	1,145,122
Increase in long-term sick leave payable is not reflected in the governmental funds, but increases long-term liabilities in the statement of net assets.	(62,632)
Change in Net Assets of Governmental Activities	\$ 4,454,637

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, 2004

(Page 1 of 2)

	Budgeted Amounts		Actual *	Variance With Final Budget
	Original	Final		
REVENUES				
Local Sources:				
Taxes	\$ 47,118,501	\$ 47,118,501	\$ 48,399,912	\$ 1,281,411
Interest	468,065	468,065	181,201	(286,864)
Tuition and Fees	85,000	85,000	68,993	(16,007)
Rentals	17,000	17,000	23,624	6,624
Charges for Services	20,000	20,000	20,437	437
Contributions & Donations	-	131,597	105,808	(25,789)
Other Local Revenue	5,520,483	5,640,483	5,699,311	58,828
Miscellaneous	283,810	244,610	589,354	344,744
Total Local Revenues	\$ 53,512,859	\$ 53,725,256	\$ 55,088,640	\$ 1,363,384
County Sources:				
Taxes	\$ 12,075,333	\$ 12,075,333	\$ 11,287,852	\$ (787,481)
State Sources:				
Taxes	\$ 45,000	\$ 45,000	\$ 41,395	\$ (3,605)
Intergovernmental	-	442,414	84,498	(357,916)
Total State Sources	\$ 45,000	\$ 487,414	\$ 125,893	\$ (361,521)
Federal Sources:				
Intergovernmental	\$ 68,000	\$ 68,000	\$ 93,627	\$ 25,627
Total Revenues	\$ 65,701,192	\$ 66,356,003	\$ 66,596,012	\$ 240,009
EXPENDITURES				
Current:				
Instruction:				
Regular	\$ 24,719,918	\$ 24,833,606	\$ 23,489,819	\$ 1,343,787
Special Education	6,295,890	6,471,799	6,229,650	242,149
Vocational Education	2,206,185	2,231,507	2,244,840	(13,333)
Support Services:				
Pupil	6,053,662	6,015,204	5,533,569	481,635
Instructional Staff	2,907,194	3,041,883	2,974,199	67,684
General Administration	892,736	813,801	780,538	33,263
School Administration	3,732,880	3,769,228	3,737,751	31,477
Business	1,470,344	1,500,237	1,489,557	10,680
Operation and Maintenance of Plant	6,900,470	6,898,736	6,730,239	168,497
Pupil Transportation	4,040,204	4,062,316	3,698,771	363,545
Central	7,935,492	7,949,885	6,952,927	996,958
Other Support	56,022	72,537	39,823	32,714
Operation of Non-Instructional Services				
Community Services	23,274	147,544	123,445	24,099
Capital Outlay	934,466	934,466	934,466	-
Debt service:				
Interest	297,839	131,328	131,328	-
Principal	999,132	1,165,642	1,145,122	20,520
Total Expenditures	\$ 69,465,708	\$ 70,039,719	\$ 66,236,044	\$ 3,803,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,764,516)	\$ (3,683,716)	\$ 359,968	\$ 4,043,684

(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, 2004

(Page 2 of 2)

	Budgeted Amounts		Actual *	Variance With Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Transfers (Out)	(310,000)	(390,800)	(390,800)	-
Proceeds from Capital Lease	934,466	934,466	964,560	30,094
Sale of Capital Assets	21,000	21,000	7,839	(13,161)
Total Other Financing Sources (Uses)	\$ 795,466	\$ 714,666	\$ 731,599	\$ 16,933
Net Change in Fund Balance	\$ (2,969,050)	\$ (2,969,050)	\$ 1,091,567	\$ 4,060,617
FUND BALANCE, BEGINNING JULY 1, 2003	1,810,668	1,810,668	1,810,668	-
FUND BALANCE (DEFICIT), ENDING JUNE 30, 2004	\$ (1,158,382)	\$ (1,158,382)	\$ 2,902,235	\$ 4,060,617

See Notes to the Basic Financial Statements.

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

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF NET ASSETS
PROPRIETARY FUND**

June 30, 2004

	<u>Business-Type Activities</u>
	Food Service
ASSETS	
Current Assets	
Cash	\$ 6,414
Temporary Investments	64,059
Interest Receivable	5
Accounts Receivable	5,466
Due From Other Governments	801
Inventories	35,500
	<u>\$ 112,245</u>
Capital Assets, Net	\$ 74,115
Total Assets	<u>\$ 186,360</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 18,196
NET ASSETS	
Invested in Capital Assets	\$ 74,115
Unrestricted	94,049
Total Net Assets	<u>\$ 168,164</u>

See Notes to the Basic Financial Statements.

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

Year Ended June 30, 2004

	Business-Type Activities
	Food Service
OPERATING REVENUES	
Charges for Services	\$ 1,628,421
OPERATING EXPENSES	
Salaries	\$ 738,500
Fringe Benefits	189,821
Purchased Services	57,047
Materials and Supplies	5,239
Direct Food Costs	1,253,706
Depreciation	15,114
Other	5,793
Total Operating Expenses	\$ 2,265,220
Operating (Loss)	\$ (636,799)
NONOPERATING REVENUES (EXPENSES)	
Donated Commodities	\$ 61,321
Operating Grants	551,089
Interest	1,364
Total Nonoperating Revenues	\$ 613,774
(Loss) Before Transfers	\$ (23,025)
TRANSFERS	
Transfers In	5,000
Change in Net Assets	\$ (18,025)
NET ASSETS, BEGINNING JULY 1	186,189
NET ASSETS, ENDING JUNE 30	\$ 168,164

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

Year Ended June 30, 2004

	Business-Type Activities
	Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 1,628,668
Cash Payments to Employees for Services	(738,500)
Cash Payments for Employee Benefits	(189,821)
Cash Payments for Goods and Services	(1,255,359)
Net Cash (Used in) Operating Activities	\$ (555,012)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating Grants Received	\$ 550,288
Transfers In	5,000
Net Cash Provided by Noncapital Financing Activities	\$ 555,288
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Investments	\$ 1,359
Proceeds from Maturities of Investments	763,000
Purchase of Investments	(764,240)
Net Cash Provided By Investing Activities	\$ 119
Net Increase in Cash	\$ 395
Cash, Beginning July 1	6,019
Cash, Ending June 30	\$ 6,414
Reconciliation of Operating (Loss) to Net Cash (Used in) Operating Activities	
Operating (Loss)	\$ (636,799)
Adjustments:	
Depreciation	15,114
Donated Commodities Used During Year	61,321
Decrease in Assets:	
Accounts Receivable	247
Inventories	4,696
Increase in Liabilities:	
Accounts Payable	409
Net Cash (Used in) Operating Activities	\$ (555,012)

See Notes to the Basic Financial Statements.

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS**

June 30, 2004

	Agency Funds
ASSETS	
Cash	\$ 16,798
Temporary Investments	323,184
Taxes Receivable (net of allowance for uncollectibles)	9,462
Interest Receivable	45
Due From Other Entities	1,331,929
Total Assets	\$ 1,681,418
LIABILITIES	
Due to Student Groups	\$ 168,073
Flexible Benefits Payable	16,798
Due to Other Entity	9,462
Early Retirement Awards Payable	1,487,085
Total Liabilities	\$ 1,681,418

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 .5 mill levy which provides the CCCPRD's funding. CCCPRD is reported as a special revenue fund.

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

The government reports the following major governmental funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

Cash consists of demand deposit accounts. Investments in interest bearing time deposits and U.S. Government Securities (all of which have maturities of less than one year) are accounted for at fair value. Cash is considered to be demand deposits.

2. Cash With Fiscal Agent

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

3. Inventory

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

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

4. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due From Other Funds/Due To Other Funds". These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities. There were no amounts due between governmental and business-type activities at year end.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

5. Capital Assets

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

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

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

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

6. Compensated Absences

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

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

7. Accrued Liabilities and Long-Term Obligations

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

8. Fund Balance

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

9. Net Assets

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

10. Property and Production Tax Revenues

Property and production tax revenues represent property and production taxes for 2003 and prior years which are collectible during the year ended June 30, 2004. Property and production taxes which are not collected within 60 days after June 30 are recorded as deferred revenue. Property and production taxes are levied by the first Monday of August and are payable in two installments, which are due September 1 and March 1. These installments become delinquent, and thus payable, on November 10 and May 10. The taxpayer may elect, without penalty, to pay the entire balance on December 31. Property and production taxes are collected by the County Treasurer and remitted to the District in the month following that of collection.

11. Estimates

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

Note 2. Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 2. Stewardship, Compliance and Accountability (Continued)

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

Unexpended budgeted amounts lapse at the end of the budget year. Budgetary control is established at the department level (instruction: regular, special, vocational, adult/continuing; support services: pupil, instructional staff, general administration, school administration, business, operation and maintenance of plant, pupil transportation, central, other support; operation of non-instructional service: community services) for the General Fund and at the fund level for the Special Revenue Funds, Debt Service Fund and Capital Projects Funds. Management control is exercised at the budgetary line item level. The District may amend its budget after it is approved using the same procedures necessary to approve the original budget. Over the course of the year, the District revised the annual budget two times. 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	\$ 66,596,012
Adjustment for State Foundation Program payable at June 30, 2003	1,533,838
Adjustment for State Foundation Program payable at June 30, 2004	(2,087,000)
Generally accepted accounting principles basis	\$ 66,042,850

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2004 expenditures exceeded appropriations in the General Fund's Instruction Vocational Education by \$13,333.

Notes 3. Detailed Notes on All Funds

A. Cash and Investments

Cash - At year end the carrying amount of the District's deposits was \$1,890,867 (including \$16,798 reported in the fiduciary funds and a money market savings account of \$1,506,068 which is classified on the balance sheet as a temporary investment) and the bank balance was \$2,254,412. Of the bank balance, \$203,721 was covered by federal depository insurance. The balance was covered by collateral held by the District's agent under a joint custody receipt in the District's name.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Notes 3. Detailed Notes on All Funds (Continued)

Investments - The other investments consists principally of investments in short-term U.S. Government securities. The government's investments are categorized as either (1) insured or registered or for which the securities are held by the District or its agent in the District's name, (2) uninsured and unregistered with securities held by the counterparty's trust department or agent in the District's name or (3) uninsured and unregistered with securities held by the counterparty or its trust department or agent but not in the District's name.

	Categories			Carrying Amount
	1	2	3	
U.S. Government securities	\$ 6,430,653	\$ 13,181,294	\$ -	\$ 19,611,947

The above amount includes temporary investments of \$323,184 reported in the fiduciary funds.

Cash- The carrying amount of deposits for BOCHES, a discretely presented component unit, was \$315,320 and the bank balance was \$311,702. The insured and collateralized status of the bank balance was as follows as of June 30, 2004:

Covered by federal depository insurance	\$ 100,000
Covered by collateral held by the component unit's agent under joint custody receipt with the component unit and financial institution	-
Uninsured and under collateralized	211,702
	\$ 311,702

Investments - The other investments for BOCHES, a discretely presented component unit, consists principally of investments in short-term U.S. Government securities. The government's investments are categorized as either (1) insured or registered or for which the securities are held by the Board or its agent in the Board's name, (2) uninsured and unregistered with securities held by the counterparty's trust department or agent in the Board's name or (3) uninsured and unregistered with securities held by the counterparty or its trust department or agent but not in the Board's name.

	Categories			Carrying Amount
	1	2	3	
U.S. Government securities	\$ 10,220	\$ -	\$ -	\$ 10,220

State statutes authorize the District to invest in bank certificates of deposit and securities issued by the U.S. Treasury or agencies of the United States.

B. Taxes Receivable

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

	General Fund	Debt Service Fund	Capital Construction Fund	Non-Major and Fiduciary Funds	Total
Taxes Receivable	\$ 5,411,136	\$ 203,377	\$ 8,206	\$ 84,462	\$ 5,707,181
Less: Allowance for uncollectibles	(2,213,609)	(82,723)	(7,294)	(33,075)	(2,336,701)
Taxes Receivable, Net	\$ 3,197,527	\$ 120,654	\$ 912	\$ 51,387	\$ 3,370,480

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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)	\$ 2,863,932
Deferred grant revenue (General Fund)	17,113
Property taxes receivable (Debt Service Fund)	112,340
Property taxes receivable (Capital Construction Fund)	912
Property taxes receivable (Non-Major Funds)	37,385
Total Deferred Revenue for Governmental Funds	\$ 3,031,682

C. Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

	Balance June 30, 2003	Additions	Deductions	Balance June 30, 2004
Governmental Activities				
Non-depreciable capital assets:				
Land	\$ 5,095,923	\$ -	\$ -	\$ 5,095,923
Construction in progress	72,197	1,353,960	(529,113)	897,044
Total non-depreciable capital assets	\$ 5,168,120	\$ 1,353,960	\$ (529,113)	\$ 5,992,967
Depreciable capital assets:				
Buildings and building improvements	\$ 116,669,947	\$ 1,155,453	\$ -	\$ 117,825,400
Improvements other than buildings	12,748,855	94,414	-	12,843,269
Equipment and vehicles	12,842,477	1,243,178	(729,286)	13,356,369
Total depreciable capital assets	\$ 142,261,279	\$ 2,493,045	\$ (729,286)	\$ 144,025,038
Less accumulated depreciation for:				
Buildings and building improvements	\$ (42,758,318)	\$ (2,732,546)	\$ -	\$ (45,490,864)
Improvements other than buildings	(11,100,669)	(220,473)	-	(11,321,142)
Equipment and vehicles	(8,229,293)	(1,005,622)	722,981	(8,511,934)
Total accumulated depreciation	\$ (62,088,280)	\$ (3,958,641)	\$ 722,981	\$ (65,323,940)
Total depreciable capital assets, net	\$ 80,172,999	\$ (1,465,596)	\$ (6,305)	\$ 78,701,098
Governmental activities capital assets, net	\$ 85,341,119	\$ (111,636)	\$ (535,418)	\$ 84,694,065
Business-type Activities				
Depreciable capital assets:				
Equipment and vehicles	\$ 564,662	\$ -	\$ (13,400)	\$ 551,262
Less accumulated depreciation	(475,433)	(15,114)	13,400	(477,147)
Total depreciable capital assets, net	\$ 89,229	\$ (15,114)	\$ -	\$ 74,115

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

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

Governmental Activities	
Regular instruction	\$ 3,866,847
General administration	91,794
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Total depreciation expense - governmental activities	\$ 3,958,641
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Business-type Activities	
Food service	\$ 15,114
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The construction in progress represents construction related to improvements at several schools. Actual signed contracts for these projects approximate \$1,900,000 and will be funded by the Major Maintenance Special Revenue Fund.

D. Interfund Receivables, Payables and Transfers

The composition of due to/from other funds as of June 30, 2004 are as follows:

	Receivable	Payable
Major Funds:		
General Fund	\$ 209,960	\$ 539,616
Capital Construction Fund	81,432	-
<hr/>		
Total Major Funds	\$ 291,392	\$ 539,616
<hr/>		
Non-Major Funds:		
Special Revenue Funds:		
"K" Fund	\$ 258,454	\$ -
Major Maintenance	-	610
Technology Fund	77,482	-
Sick Leave	10	-
CCCPRD	122,238	-
Title I	-	51,599
Title I - Neglected and Delinquent	-	3,271
Title I - Even Start	-	10,381
Title V	-	1,077
Drug Free Schools	-	5,592
Title II	-	33,761
Part B	-	82,475
Title III	-	1,621
McKinney Homeless	-	511
21 st Century SIG	-	19,062
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Total Non-Major Funds	\$ 458,184	\$ 209,960
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	\$ 749,576	\$ 749,576
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NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

Interfund Transfers:

	General Fund	Capital Construction	Food Service	Nonmajor Governmental	Total
Transfers In	\$ 150,000	\$ 202,090	\$ 5,000	\$ 310,000	\$ 667,090
Transfers (Out)	(390,800)	(155,000)	-	(121,290)	(667,090)
Net interfund transfers	\$ (240,800)	\$ 47,090	\$ 5,000	\$ 188,710	\$ -

The primary purpose of the material interfund transfers are: 1) 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, 2) the General Fund made transfers to the Capital Construction Fund to help supplement the purchase of vehicles, 3) transfers were made from the Capital Construction Fund to the General Fund for capital lease payments, and 4) the Technology Fund made transfers to the Capital Construction Fund as a reimbursement for computers and equipment purchased by the Capital Construction Fund in the prior year.

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 \$12,770,000 at June 30, 2004.

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

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

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

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

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

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

GASB Statement No. 6 limits the amount of compensated absence liability to be reported in the governmental funds to the amount that is actually due at year-end. Due means the employee has applied for the leave but has not yet received payment at year end. The current liability for this reimbursement at June 30, 2004 is \$49,210 and has been recorded as a payable in the Sick Leave Special Revenue Fund and as a noncurrent liability due within one year in the government-wide statement of net assets. Amounts not due at year end approximating \$732,000, are recorded as a non-current liability due within more than one year in the government-wide statement of net assets.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

The District's employees have vested accrued vacation amounting to approximately \$256,000 at June 30, 2004, 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, 2004.

F. Tax Anticipation Warrants

Tax anticipation warrants are issued for the purpose of paying General Fund operating expenditures for the first five months of the fiscal year (July through November). In December, the District receives the first 50% of its tax revenues from the County Treasurer. The tax anticipation warrant proceeds are used to fund operations until these revenues are received. Upon receipt of these revenues, the tax anticipation warrants are paid in full.

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004
Tax anticipation warrants:				
General Fund	\$ -	\$ 9,575,880	\$ (9,575,880)	\$ -

G. 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	\$ 4,645,099
Less: Accumulated depreciation	(1,512,946)
Total	\$ 3,132,153

Payments on these obligations are being made by the General Fund. Annual debt service requirements as of June 30, 2004 are presented below:

Year Ending June 30,	Obligations Under Capital Lease
2005	\$ 922,356
2006	636,769
2007	418,644
2008	211,656
Total lease payments	\$ 2,189,425
Less interest portion	153,298
Present value of net minimum lease payments	\$ 2,036,127

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

H. Long-Term Debt

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

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2005	\$ 2,725,000	\$ 499,060
2006	2,860,000	350,548
2007	3,395,000	191,817
Total payments	\$ 8,980,000	\$ 1,041,425

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

Year Ending June 30,	AML Payments
2005	\$ 1,500,000
2006	1,500,000
2007	1,870,000
Total payments	\$ 4,870,000

Long-term liability activity for the year ended June 30, 2004 was as follows:

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General obligation bonds	\$ 11,560,000	\$ -	\$ (2,580,000)	\$ 8,980,000	\$ 2,725,000
Capital leases	2,216,689	964,560	(1,145,122)	2,036,127	839,734
Sick Leave Payable	757,285	23,609	-	780,894	49,210
Long-term liabilities	\$ 14,533,974	\$ 988,169	\$ (3,725,122)	\$ 11,797,021	\$ 3,613,944

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 3. Detailed Notes on All Funds (Continued)

I. Legal Debt Margin

At June 30, 2004, 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	\$ 2,686,679,191
Debt limit - 10% of total assessed valuation	\$ 268,667,919
General obligation bonded debt outstanding	\$ 8,980,000
Unused legal debt capacity	\$ 259,687,919

J. 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 \$2,087,000 of amounts received during the year ended June 30, 2004 to the Foundation Program during the ensuing year.

K. Early Retirement Agency Fund

During the current year and in prior years the District has provided various plans to provide severance to employees who retired early for their years of service to the District. The amount of the severance was based upon current compensation, length of service, and age of employee. Sixty-six individuals are receiving severance payments under these plans as of June 30, 2004.

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, 2004 are presented below at their present value assuming 4.59% interest:

Years Ending June 30,	
2005	\$ 442,748
2006	363,696
2007	274,834
2008	244,506
2009	172,192
2010-2012	119,358
Total payments	\$ 1,617,334
Less interest portion	130,249
Present value of future payments	\$ 1,487,085

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 4. Other Information

A. Risk Management

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

Type of Claim	Amount of Coverage	Deductible
Commercial General Liability		
Occurrence	\$ 2,000,000	\$ -
Personal and advertising injury	\$ 2,000,000	\$ -
Products-completed operations aggregate	\$ 2,000,000	\$ -
Miscellaneous medical professional liability	\$ 2,000,000	\$ -
School board legal liability	\$ 2,000,000	\$ 2,500
Auto Liability		
Each accident	\$ 2,000,000	\$ 1,000
Uninsured motorist	\$ 1,000,000	\$ -
Under-insured motorist	\$ 1,000,000	\$ -
Property		
Building and contents	\$250,000,000	\$ 5,000
Business income without extra expense	\$ 1,000,000	\$ -
Extra expense	\$ 5,000,000	\$ -
Earthquake	\$ 15,000,000	\$ -
Flood/backup water	\$ 15,000,000	\$ -
Supplemental Coverages		
Electronic data processing equipment, data and media	\$ 5,000,000	\$ -
Valuable papers	\$ 1,000,000	\$ -
Ordinance or law	\$ 1,000,000	\$ -
Earthquake, volcanic eruption, landslide and mine subsidence	\$ 15,000,000	\$ 100,000
Flood	\$ 15,000,000	\$ 100,000
Builders' risk	\$ 1,000,000	\$ -
Contractors' equipment	\$ 3,560,567	\$ -
Vehicle damage	\$ 5,000,000	\$ -
Boiler and Machinery		
Total breakdown limit	\$ 50,000,000	\$ 1,000
Ordinance or law, demolition	\$ 1,000,000	\$ -
Hazardous substance	\$ 2,000,000	\$ -
WHSAA Athletics Catastrophic Accidental Death/Dismemberment		
Accident medical expense	\$ 2,000,000	\$ -

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

The District has elected to provide employee medical, dental, and life insurance benefits through a self-insured program. The District uses its general fund to account for and finance its uninsured risks of loss in this program. This plan provides a medical plan with a \$500 deductible for single, \$1,000 for employee plus one and \$1,500 for family; a dental plan with no deductible for preventive checkups, \$50 deductible for single and \$150 for family per year for restorative work, with an 85/15 copay for minor restorative and 50/50 copay for major restorative; minimum amount of \$10,000 or equal to the employee's annual salary in automatic life insurance coverage; and \$50,000 in accidental life insurance. A third party administrator reviews all claims which the District then pays. The District purchases stop-loss coverage of \$85,000 per employee.

NOTES TO THE BASIC FINANCIAL STATEMENTS

Note 5. Other Information (Continued)

The liability for unpaid claims cost of \$713,000 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, 2004, 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, 2003 to June 30, 2004	\$ 913,440	\$ 5,834,452	\$ 6,034,892	\$ 713,000
June 30, 2002 to June 30, 2003	\$ 757,500	\$ 5,267,556	\$ 5,111,616	\$ 913,440

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 employees 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, 2004, 2003 and 2002 were \$4,630,000, \$4,525,000 and \$4,365,000 respectively, which was equal to the required contribution for the years then ended.

C. Tax Revenues

Approximately 85% of tax revenue for the year ended June 30, 2004 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, 2004.

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.

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

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

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

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

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

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

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

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

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

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

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

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS (Continued)

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

School to Careers - This fund accounts for federal revenues used to provide school-based learning infused with work-place competencies and general academic instruction. This allows the students an opportunity for career exploration.

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

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

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

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

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

Nonmajor Capital Projects Funds

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

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

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2004

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
ASSETS			
Cash	\$ 357,746	\$ -	\$ 357,746
Temporary Investments	2,330,986	512,527	2,843,513
Taxes Receivable (net of allowance for uncollectibles)	41,925	-	41,925
Interest Receivable	95	38	133
Due From Other Funds	458,184	-	458,184
Due From Other Governments	209,350	-	209,350
Inventories	2,364	-	2,364
Total Assets	\$ 3,400,650	\$ 512,565	\$ 3,913,215
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 19,162	\$ -	\$ 19,162
Contracts and Retainage Payable	287,614	-	287,614
Due To Other Funds	209,960	-	209,960
Deferred Revenue	37,385	-	37,385
Sick Leave Payable	49,210	-	49,210
Total Liabilities	\$ 603,331	\$ -	\$ 603,331
FUND BALANCES			
Fund Balances			
Reserved for Encumbrances	\$ 1,496,044	\$ -	\$ 1,496,044
Reserved for Capital Projects	-	512,565	512,565
Unreserved, Undesignated	1,301,275	-	1,301,275
Total Fund Balances	\$ 2,797,319	\$ 512,565	\$ 3,309,884
Total Liabilities and Fund Balances	\$ 3,400,650	\$ 512,565	\$ 3,913,215

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

Year Ended June 30, 2004

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
REVENUES			
Local Sources:			
Taxes	\$ 1,361,768	\$ -	\$ 1,361,768
Interest	17,385	4,121	21,506
Tuition and Fees	315,520	-	315,520
Rentals	18,040	-	18,040
Charges for Services	491,295	-	491,295
Contributions & Donations	131,275	-	131,275
Miscellaneous	323,529	-	323,529
Total Local Sources	\$ 2,658,812	\$ 4,121	\$ 2,662,933
County Sources:			
Taxes	\$ 1,482	\$ -	\$ 1,482
State Sources:			
Taxes	\$ 3,093,138	\$ -	\$ 3,093,138
Intergovernmental	304,183	-	304,183
Total State Sources	\$ 3,397,321	\$ -	\$ 3,397,321
Federal Sources:			
Intergovernmental	\$ 4,210,839	\$ -	\$ 4,210,839
Total Revenues	\$ 10,268,454	\$ 4,121	\$ 10,272,575
EXPENDITURES			
Current:			
Instruction:			
Regular	\$ 2,010,364	\$ -	\$ 2,010,364
Special Education	1,953,473	-	1,953,473
Vocational	541,791	-	541,791
Adult/Continuing	16,225	-	16,225
Support Services:			
Pupil	275,928	-	275,928
Instructional Staff	1,147,411	-	1,147,411
General Administration	42,873	-	42,873
School Administration	126,349	-	126,349
Business	74,384	-	74,384
Operation and Maintenance of Plant	876,726	-	876,726
Central	382,802	-	382,802
Other Support	115,617	-	115,617
Operation of Non-Instructional Services:			
Community Services	909,295	-	909,295
Capital Outlay	2,171,704	67,305	2,239,009
Total Expenditures	\$ 10,644,942	\$ 67,305	\$ 10,712,247
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (376,488)	\$ (63,184)	\$ (439,672)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 310,000	\$ -	\$ 310,000
Transfers (Out)	(121,290)	-	(121,290)
Total Other Financing Sources (Uses)	\$ 188,710	\$ -	\$ 188,710
Net Change in Fund Balances	\$ (187,778)	\$ (63,184)	\$ (250,962)
FUND BALANCES, BEGINNING JULY 1	2,985,097	575,749	3,560,846
FUND BALANCES, ENDING JUNE 30	\$ 2,797,319	\$ 512,565	\$ 3,309,884

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SPECIAL REVENUE FUNDS

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2004

(Page 1 of 2)

	"K" Fund	Major Maintenance	Building (B)	Technology
ASSETS				
Cash	\$ -	\$ 745	\$ 352,679	\$ -
Temporary Investments	-	1,068,591	-	130,674
Taxes Receivable (net of allowance for uncollectibles)	-	-	-	-
Interest Receivable	-	-	-	10
Due From Other Funds	258,454	-	-	77,482
Due From Other Governments	-	-	-	-
Inventories	-	-	-	2,364
Total Assets	\$ 258,454	\$ 1,069,336	\$ 352,679	\$ 210,530
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 19,162	\$ -	\$ -
Contracts and Retainage Payable	-	287,614	-	-
Due To Other Funds	-	610	-	-
Deferred Revenue	-	-	-	-
Sick Leave Payable	-	-	-	-
Total Liabilities	\$ -	\$ 307,386	\$ -	\$ -
FUND BALANCES				
Reserved for Encumbrances	\$ 18,730	\$ 1,477,314	\$ -	\$ -
Unreserved, Undesignated	239,724	(715,364)	352,679	210,530
Total Fund Balances	\$ 258,454	\$ 761,950	\$ 352,679	\$ 210,530
Total Liabilities and Fund Balances	\$ 258,454	\$ 1,069,336	\$ 352,679	\$ 210,530

Sick Leave	CCCPRD	Carl Perkins	Title I	Title I Neglected & Delinquent	Title I - Even Start	Title V	Drug Free Schools	Work Investment Act
\$ -	\$ 4,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
373,130	758,591	-	-	-	-	-	-	-
-	41,925	-	-	-	-	-	-	-
28	57	-	-	-	-	-	-	-
10	122,238	-	-	-	-	-	-	-
-	-	-	51,599	3,271	10,381	1,077	5,592	-
-	-	-	-	-	-	-	-	-
\$ 373,168	\$ 927,133	\$ -	\$ 51,599	\$ 3,271	\$ 10,381	\$ 1,077	\$ 5,592	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	51,599	3,271	10,381	1,077	5,592	-
-	37,385	-	-	-	-	-	-	-
49,210	-	-	-	-	-	-	-	-
\$ 49,210	\$ 37,385	\$ -	\$ 51,599	\$ 3,271	\$ 10,381	\$ 1,077	\$ 5,592	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
323,958	889,748	-	-	-	-	-	-	-
\$ 323,958	\$ 889,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 373,168	\$ 927,133	\$ -	\$ 51,599	\$ 3,271	\$ 10,381	\$ 1,077	\$ 5,592	\$ -

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2004

(Page 2 of 2)

	School to Careers	Title II	Part B	Title III
ASSETS				
Cash	\$ -	\$ -	\$ -	\$ -
Temporary Investments	-	-	-	-
Taxes Receivable (net of allowance for uncollectibles)	-	-	-	-
Interest Receivable	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	-	33,761	82,475	1,621
Inventories	-	-	-	-
Total Assets	\$ -	\$ 33,761	\$ 82,475	\$ 1,621
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts and Retainage Payable	-	-	-	-
Due To Other Funds	-	33,761	82,475	1,621
Deferred Revenue	-	-	-	-
Sick Leave Payable	-	-	-	-
Total Liabilities	\$ -	\$ 33,761	\$ 82,475	\$ 1,621
FUND BALANCES				
Reserved for Encumbrances	\$ -	\$ -	\$ -	\$ -
Unreserved, Undesignated	-	-	-	-
Total Fund Balances	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	\$ -	\$ 33,761	\$ 82,475	\$ 1,621

McKinney Homeless	21 st Century SIG	Totals
\$ -	\$ -	\$ 357,746
-	-	2,330,986
-	-	41,925
-	-	95
-	-	458,184
511	19,062	209,350
-	-	2,364
<hr/>		
\$ 511	\$ 19,062	\$ 3,400,650
<hr/>		
\$ -	\$ -	\$ 19,162
-	-	287,614
511	19,062	209,960
-	-	37,385
-	-	49,210
<hr/>		
\$ 511	\$ 19,062	\$ 603,331
<hr/>		
\$ -	\$ -	\$ 1,496,044
-	-	1,301,275
<hr/>		
\$ -	\$ -	\$ 2,797,319
<hr/>		
\$ 511	\$ 19,062	\$ 3,400,650

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, 2004

(Page 1 of 3)

	"K" Fund			Major Maintenance			Building (B)		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Local Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	322	430	108	20,000	6,099	(13,901)	-	2,425	2,425
Tuition & Fees	145,366	117,096	(28,270)	-	-	-	257,624	198,424	(59,200)
Rentals	-	-	-	-	-	-	20,300	18,040	(2,260)
Charges for Services	71,282	72,992	1,710	-	-	-	1,048,775	418,303	(630,472)
Contributions and Donations	60,907	71,872	10,965	13,000	13,000	-	52,750	21,403	(31,347)
Miscellaneous	-	-	-	-	1,029	1,029	-	2,500	2,500
Total Local Sources	\$ 277,877	\$ 262,390	\$ (15,487)	\$ 33,000	\$ 20,128	\$ (12,872)	\$ 1,379,449	\$ 661,095	\$ (718,354)
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Taxes	\$ -	\$ -	\$ -	\$ 3,140,000	\$ 3,093,138	\$ (46,862)	\$ -	\$ -	\$ -
Intergovernmental	304,074	304,183	109	-	-	-	-	-	-
Total State Sources	\$ 304,074	\$ 304,183	\$ 109	\$ 3,140,000	\$ 3,093,138	\$ (46,862)	\$ -	\$ -	\$ -
Federal Sources:									
Intergovernmental	\$ -	\$ 2,590	\$ 2,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 581,951	\$ 569,163	\$ (12,788)	\$ 3,173,000	\$ 3,113,266	\$ (59,734)	\$ 1,379,449	\$ 661,095	\$ (718,354)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 312,647	\$ 298,474	\$ 14,173	\$ -	\$ -	\$ -	\$ 700,199	\$ 215,208	\$ 484,991
Special Education	6,081	2,005	4,076	-	-	-	125,794	31,546	94,248
Vocational Education	50,000	16,039	33,961	-	-	-	252,766	95,772	156,994
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	-	-	-	-	-	-	308,802	156,356	152,446
Instructional Staff	12,399	2,235	10,164	-	-	-	33,930	20,091	13,839
General Administration	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	242,132	126,349	115,783
Business	107,892	54,722	53,170	-	-	-	4,554	-	4,554
Operation and Maintenance of Plant	43,874	-	43,874	1,143,591	814,030	329,561	54,668	13,961	40,707
Central	-	-	-	393,949	371,802	22,147	4,000	-	4,000
Other Support	-	-	-	-	-	-	-	-	-
Operation of Non-Instructional Services:									
Community Services	232,817	142,707	90,110	-	-	-	3,685	214	3,471
Capital Outlay	-	-	-	2,732,894	2,171,704	561,190	-	-	-
Total Expenditures	\$ 765,710	\$ 516,182	\$ 249,528	\$ 4,270,434	\$ 3,357,536	\$ 912,898	\$ 1,730,530	\$ 659,497	\$ 1,071,033
Excess (deficiency) of revenues over (under) expenditures	\$ (183,759)	\$ 52,981	\$ 236,740	\$ (1,097,434)	\$ (244,270)	\$ 853,164	\$ (351,081)	\$ 1,598	\$ 352,679
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	(19,470)	(19,470)	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (19,470)	\$ (19,470)	\$ -
Net Change in Fund Balances	\$ (183,759)	\$ 52,981	\$ 236,740	\$ (1,097,434)	\$ (244,270)	\$ 853,164	\$ (370,551)	\$ (17,872)	\$ 352,679
FUND BALANCES,									
BEGINNING JULY 1	205,473	205,473	-	1,006,220	1,006,220	-	370,551	370,551	-
FUND BALANCES,									
ENDING JUNE 30	\$ 21,714	\$ 258,454	\$ 236,740	\$ (91,214)	\$ 761,950	\$ 853,164	\$ -	\$ 352,679	\$ 352,679

Technology			Sick Leave			CCCPRD			Carl Perkins		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,343,340	\$1,361,768	\$ 18,428	\$ -	\$ -	\$ -
2,500	889	(1,611)	6,000	2,993	(3,007)	4,000	4,549	549	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
25,000	25,000	-	-	-	-	-	-	-	-	-	-
320,000	320,000	-	-	-	-	-	-	-	-	-	-
\$ 347,500	\$ 345,889	\$ (1,611)	\$ 6,000	\$ 2,993	\$ (3,007)	\$1,347,340	\$1,366,317	\$ 18,977	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,482	\$ 1,482	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,639	\$ 172,639	\$ -
\$ 347,500	\$ 345,889	\$ (1,611)	\$ 6,000	\$ 2,993	\$ (3,007)	\$1,347,340	\$1,367,799	\$ 20,459	\$ 172,639	\$ 172,639	\$ -
\$ 221,898	\$ 134,899	\$ 86,999	\$ 440,569	\$ 45,085	\$ 395,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	1,032,048	590,776	441,272	-	-	-
338,825	214,589	124,236	-	-	-	-	-	-	147,247	147,247	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	12,500	208	12,292	21,267	21,267	-	-	-	-
165,000	165,000	-	-	-	-	6,000	6,000	-	20,373	20,373	-
-	-	-	46,000	38,579	7,421	7,000	4,294	2,706	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,890	14,890	-	-	-	-
-	-	-	-	-	-	48,735	48,735	-	-	-	-
-	-	-	-	-	-	11,000	11,000	-	-	-	-
-	-	-	-	-	-	-	-	-	5,019	5,019	-
-	-	-	-	-	-	868,378	608,156	260,222	-	-	-
\$ 725,723	\$ 514,488	\$ 211,235	\$ 499,069	\$ 83,872	\$ 415,197	\$2,009,318	\$1,305,118	\$ 704,200	\$ 172,639	\$ 172,639	\$ -
\$ (378,223)	\$ (168,599)	\$ 209,624	\$ (493,069)	\$ (80,879)	\$ 412,190	\$ (661,978)	\$ 62,681	\$ 724,659	\$ -	\$ -	\$ -
\$ 310,000	\$ 310,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(101,820)	(101,820)	-	-	-	-	-	-	-	-	-	-
\$ 208,180	\$ 208,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ (170,043)	\$ 39,581	\$ 209,624	\$ (493,069)	\$ (80,879)	\$ 412,190	\$ (661,978)	\$ 62,681	\$ 724,659	\$ -	\$ -	\$ -
170,949	170,949	-	404,837	404,837	-	827,067	827,067	-	-	-	-
\$ 906	\$ 210,530	\$ 209,624	\$ (88,232)	\$ 323,958	\$ 412,190	\$ 165,089	\$ 889,748	\$ 724,659	\$ -	\$ -	\$ -

(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, 2004

(Page 2 of 3)

	Title I			Title I - Neglected & Delinquent			Title I - Even Start		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Local Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-
Tuition & Fees	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Total State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources:									
Intergovernmental	\$1,337,526	\$1,101,399	\$ (236,127)	\$ 51,583	\$ 19,790	\$ (31,793)	\$ 131,273	\$ 102,059	\$ (29,214)
Total Revenues	\$1,337,526	\$1,101,399	\$ (236,127)	\$ 51,583	\$ 19,790	\$ (31,793)	\$ 131,273	\$ 102,059	\$ (29,214)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 994,372	\$ 862,013	\$ 132,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	14,510	14,510	-	50,081	19,214	30,867	3,364	2,347	1,017
Vocational Education	-	-	-	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	-	-	-	-	-	-	26,464	22,367	4,097
Instructional Staff	163,587	82,697	80,890	-	-	-	12,970	11,966	1,004
General Administration	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business	4,798	4,772	26	-	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	-	-	-
Other Support	32,413	32,386	27	1,502	576	926	18,367	15,292	3,075
Operation of Non-Instructional Services:									
Community Services	127,846	105,021	22,825	-	-	-	70,108	50,087	20,021
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$1,337,526	\$1,101,399	\$ 236,127	\$ 51,583	\$ 19,790	\$ 31,793	\$ 131,273	\$ 102,059	\$ 29,214
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING SOURCES (USES)									
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FUND BALANCES, BEGINNING JULY 1									
	-	-	-	-	-	-	-	-	-
FUND BALANCES, ENDING JUNE 30									
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Title V			Drug Free Schools			Work Investment Act			School To Careers		
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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 124,564	\$ 106,548	\$ (18,016)	\$ 95,077	\$ 77,699	\$ (17,378)	\$ 30,718	\$ 16,225	\$ (14,493)	\$ 83,281	\$ 70,120	\$ (13,161)
\$ 124,564	\$ 106,548	\$ (18,016)	\$ 95,077	\$ 77,699	\$ (17,378)	\$ 30,718	\$ 16,225	\$ (14,493)	\$ 83,281	\$ 70,120	\$ (13,161)
\$ 8,481	\$ 8,481	\$ -	\$ 452	\$ 452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	80,923	68,144	12,779
-	-	-	-	-	-	30,718	16,225	14,493	-	-	-
-	-	-	85,467	75,730	9,737	-	-	-	-	-	-
116,083	98,067	18,016	7,151	151	7,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	2,007	1,366	641	-	-	-	2,358	1,976	382
-	-	-	-	-	-	-	-	-	-	-	-
\$ 124,564	\$ 106,548	\$ 18,016	\$ 95,077	\$ 77,699	\$ 17,378	\$ 30,718	\$ 16,225	\$ 14,493	\$ 83,281	\$ 70,120	\$ 13,161
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2004

(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 & Fees	-	-	-	-	-	-	-	-	-
Rentals	-	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-	-
Contributions and Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources:									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Total State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Sources:									
Intergovernmental	\$ 973,807	\$ 920,175	\$ (53,632)	\$ 1,671,282	\$ 1,305,387	\$ (365,895)	\$ 40,970	\$ 21,393	\$ (19,577)
Total Revenues	\$ 973,807	\$ 920,175	\$ (53,632)	\$ 1,671,282	\$ 1,305,387	\$ (365,895)	\$ 40,970	\$ 21,393	\$ (19,577)
EXPENDITURES									
Current:									
Instruction:									
Regular	\$ 494,920	\$ 445,752	\$ 49,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	-	-	-	1,105,357	1,008,269	97,088	40,168	21,031	19,137
Vocational Education	-	-	-	-	-	-	-	-	-
Adult/Continuing	-	-	-	-	-	-	-	-	-
Support Services:									
Pupil	-	-	-	-	-	-	-	-	-
Instructional Staff	453,793	449,463	4,330	557,143	291,187	265,956	-	-	-
General Administration	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business	-	-	-	-	-	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-	-	-	-	-	-
Central	-	-	-	-	-	-	-	-	-
Other Support	25,094	24,960	134	8,782	5,931	2,851	802	362	440
Operation of Non-Instructional Services:									
Community Services	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 973,807	\$ 920,175	\$ 53,632	\$ 1,671,282	\$ 1,305,387	\$ 365,895	\$ 40,970	\$ 21,393	\$ 19,577
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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,343,340	\$ 1,361,768	\$ 18,428
-	-	-	-	-	-	32,822	17,385	(15,437)
-	-	-	-	-	-	402,990	315,520	(87,470)
-	-	-	-	-	-	20,300	18,040	(2,260)
-	-	-	-	-	-	1,120,057	491,295	(628,762)
-	-	-	-	-	-	151,657	131,275	(20,382)
-	-	-	-	-	-	320,000	323,529	3,529
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,391,166	\$ 2,658,812	\$ (723,354)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,482	\$ 1,482
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,140,000	\$ 3,093,138	\$ (46,862)
-	-	-	-	-	-	304,074	304,183	109
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,444,074	\$ 3,397,321	\$ (46,753)
\$ 4,256	\$ 4,252	\$ (4)	\$ 457,705	\$ 290,563	\$ (167,142)	\$ 5,174,681	\$ 4,210,839	\$ (963,842)
\$ 4,256	\$ 4,252	\$ (4)	\$ 457,705	\$ 290,563	\$ (167,142)	\$12,009,921	\$10,268,454	\$ (1,741,467)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,173,538	\$ 2,010,364	\$ 1,163,174
842	838	4	401,765	262,937	138,828	2,780,010	1,953,473	826,537
-	-	-	-	-	-	869,761	541,791	327,970
-	-	-	-	-	-	30,718	16,225	14,493
-	-	-	-	-	-	454,500	275,928	178,572
181	181	-	-	-	-	1,548,610	1,147,411	401,199
-	-	-	-	-	-	53,000	42,873	10,127
-	-	-	-	-	-	242,132	126,349	115,783
-	-	-	-	-	-	132,134	74,384	57,750
-	-	-	-	-	-	1,290,868	876,726	414,142
-	-	-	-	-	-	408,949	382,802	26,147
123	123	-	55,940	27,626	28,314	152,407	115,617	36,790
3,110	3,110	-	-	-	-	1,305,944	909,295	396,649
-	-	-	-	-	-	2,732,894	2,171,704	561,190
\$ 4,256	\$ 4,252	\$ 4	\$ 457,705	\$ 290,563	\$ 167,142	\$15,175,465	\$10,644,942	\$ 4,530,523
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,165,544)	\$ (376,488)	\$ 2,789,056
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310,000	\$ 310,000	\$ -
-	-	-	-	-	-	(121,290)	(121,290)	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 188,710	\$ 188,710	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,976,834)	\$ (187,778)	\$ 2,789,056
-	-	-	-	-	-	2,985,097	2,985,097	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,263	\$ 2,797,319	\$ 2,789,056

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DEBT SERVICE FUND

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND
Year Ended June 30, 2004**

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Taxes	\$ 2,446,550	\$ 2,623,582	\$ 177,032
Federal Sources			
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ -
Total Revenues	\$ 3,946,550	\$ 4,123,582	\$ 177,032
EXPENDITURES			
Debt Service			
Interest	\$ 637,090	\$ 637,090	\$ -
Principal	2,580,000	2,580,000	-
Total Expenditures	\$ 3,217,090	\$ 3,217,090	\$ -
Net change in fund balance	\$ 729,460	\$ 906,492	\$ 177,032
FUND BALANCE, BEGINNING JULY 1	4,463,883	4,463,883	-
FUND BALANCE, ENDING JUNE 30	\$ 5,193,343	\$ 5,370,375	\$ 177,032

CAPITAL PROJECTS FUNDS

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

NONMAJOR CAPITAL PROJECT FUND - DEPRECIATION RESERVE FUND

Year Ended June 30, 2004

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Interest	\$ 12,000	\$ 4,121	\$ (7,879)
EXPENDITURES			
Capital Outlay	\$ 69,830	\$ 67,305	\$ 2,525
Net Change in Fund Balance	\$ (57,830)	\$ (63,184)	\$ (5,354)
FUND BALANCE, BEGINNING JULY 1	575,749	575,749	-
FUND BALANCE, ENDING JUNE 30	\$ 517,919	\$ 512,565	\$ (5,354)

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, 2004

	Final Budget	Actual	Variance With Final Budget
REVENUES			
Local Sources			
Taxes	\$ -	\$ 5,097	\$ 5,097
Interest	35,000	19,086	(15,914)
Miscellaneous	-	1,203,078	1,203,078
Total Local Sources	\$ 35,000	\$ 1,227,261	\$ 1,192,261
EXPENDITURES			
Capital Outlay	\$ 2,146,135	\$ 80,701	\$ 2,065,434
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,111,135)	\$ 1,146,560	\$ 3,257,695
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 80,800	\$ 202,090	\$ 121,290
Transfers (Out)	(175,000)	(155,000)	20,000
Total Other Financing Sources (Uses)	\$ (94,200)	\$ 47,090	\$ 141,290
Net Change in Fund Balance	\$ (2,205,335)	\$ 1,193,650	\$ 3,398,985
FUND BALANCE, BEGINNING JULY 1	2,205,335	2,205,335	-
FUND BALANCE, ENDING JUNE 30	\$ -	\$ 3,398,985	\$ 3,398,985

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**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, 2004

Governmental Funds Capital Assets:	
Land	\$ 5,095,923
Buildings and building improvements	117,825,400
Improvements other than buildings	12,843,269
Equipment and vehicles	13,356,369
Construction in progress	897,044
<hr/>	
Total Governmental Funds Capital Assets	\$ 150,018,005
<hr/>	
Investments in Governmental Funds Capital Assets By Source:	
General Fund	\$ 148,514,115
Special Revenue Fund	1,503,890
<hr/>	
Total Governmental Funds Capital Assets	\$ 150,018,005
<hr/>	

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

June 30, 2004

Fund and Activity		Buildings and Building Land	Improvements Other Than Improvements	Equipment and	Construction In Buildings	Vehicles
Progress	Total					
Instruction:						
Regular	\$ 5,033,373	\$ 115,804,024	\$ 12,532,276	\$ 12,787,464	\$ 897,044	\$ 147,054,181
Support Services:						
General						
Administration	62,550	2,021,376	310,993	568,905	-	2,963,824
Total Governmental Funds Capital Assets	\$ 5,095,923	\$ 117,825,400	\$ 12,843,269	\$ 13,356,369	\$ 897,044	\$ 150,018,005

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, 2004**

Function and Activity	Governmental Funds Capital Assets June 30, 2003	Additions	Deductions	Governmental Funds Capital Assets June 30, 2004
Instruction:				
Regular	\$ 144,489,401	\$ 3,815,069	\$ (1,250,289)	\$ 147,054,181
Support Services:				
General Administration	2,939,998	31,936	(8,110)	2,963,824
Total Governmental Funds Capital Assets	\$ 147,429,399	\$ 3,847,005	\$ (1,258,399)	\$ 150,018,005

STATISTICAL

SECTION

GOVERNMENT-WIDE EXPENSES BY FUNCTION

LAST TEN FISCAL YEARS

(Unaudited)

TABLE 1

	Fiscal Year 1995 (1)	Fiscal Year 1996 (1)	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)	Fiscal Year 1999 (1)
Current:					
Instruction:					
Regular	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Special Education	N/A	N/A	N/A	N/A	N/A
Vocational	N/A	N/A	N/A	N/A	N/A
Adult/Continuing	N/A	N/A	N/A	N/A	N/A
Support Services:					
Pupil	N/A	N/A	N/A	N/A	N/A
Instructional Staff	N/A	N/A	N/A	N/A	N/A
General Administrative	N/A	N/A	N/A	N/A	N/A
School Administrative	N/A	N/A	N/A	N/A	N/A
Business	N/A	N/A	N/A	N/A	N/A
Operation & Maintenance of Plant	N/A	N/A	N/A	N/A	N/A
Pupil Transportation	N/A	N/A	N/A	N/A	N/A
Central	N/A	N/A	N/A	N/A	N/A
Other Support	N/A	N/A	N/A	N/A	N/A
Operation of Non-Instructional Service:					
Community Services	N/A	N/A	N/A	N/A	N/A
Debt Service					
Interest on Long Term Debt	N/A	N/A	N/A	N/A	N/A
Business-type Activities					
Food Service	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A

(1) N/A - Not Available. With the reporting changes required with GASB 34, prior GASB 34 year numbers are no longer comparable. To have prior year numbers restated is not a viable option at this time.

	Fiscal Year 2000 (1)	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	
\$	N/A	\$	N/A	\$ 28,702,212	\$ 29,154,219	\$ 29,368,871
	N/A		N/A	6,466,155	7,414,687	8,146,927
	N/A		N/A	2,758,374	2,980,581	2,776,551
	N/A		N/A	38,401	13,707	16,225
	N/A		N/A	5,805,741	5,947,269	5,800,356
	N/A		N/A	3,750,395	3,844,291	4,103,466
	N/A		N/A	751,362	803,334	880,087
	N/A		N/A	3,562,051	3,821,482	3,864,100
	N/A		N/A	1,111,874	1,256,913	1,560,806
	N/A		N/A	6,826,883	7,133,378	7,693,871
	N/A		N/A	3,645,568	3,562,678	3,698,771
	N/A		N/A	5,220,531	5,409,516	3,710,442
	N/A		N/A	143,375	162,706	155,440
	N/A		N/A	557,877	807,865	1,014,168
	N/A		N/A	1,009,194	897,798	768,418
	N/A		N/A	2,154,305	2,154,632	2,265,220
	N/A		N/A	72,504,298	75,365,056	75,823,719

GOVERNMENT-WIDE REVENUES

LAST TEN FISCAL YEARS

(Unaudited)

TABLE 2

	Fiscal Year 1995 (1)	Fiscal Year 1996 (1)	Fiscal Year 1997 (1)	Fiscal Year 1998 (1)
Revenues:				
Program Revenues:				
Charges for Services	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Operating Grants and Contributions	N/A	N/A	N/A	N/A
Capital Grants and Contributions	N/A	N/A	N/A	N/A
General Revenues:				
Taxes:				
Property Taxes, levied for general purposes	N/A	N/A	N/A	N/A
Property Taxes, levied for debt service	N/A	N/A	N/A	N/A
Property Taxes, levied for capital construction	N/A	N/A	N/A	N/A
Property Taxes, levied for major building and facility maintenance	N/A	N/A	N/A	N/A
Property Taxes, levied for public recreation	N/A	N/A	N/A	N/A
Grants and Contributions not restricted to specific programs	N/A	N/A	N/A	N/A
Capital Grant restricted for debt service	N/A	N/A	N/A	N/A
Interest	N/A	N/A	N/A	N/A
Other Local Revenue	N/A	N/A	N/A	N/A
Miscellaneous	N/A	N/A	N/A	N/A
Gain on sale of capital assets	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

(1) N/A - Not Available. With the reporting changes required with GASB 34, prior GASB 34 year numbers are no longer comparable. To have prior year numbers restated is not viable option at this time.

	Fiscal Year 1999 (1)	Fiscal Year 2000 (1)	Fiscal Year 2001 (1)	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
\$	N/A	\$ N/A	\$ N/A	\$ 2,452,825	\$ 2,385,370	\$ 2,567,789
	N/A	N/A	N/A	4,185,560	4,978,878	5,383,300
	N/A	N/A	N/A	500,000	0	0
	N/A	N/A	N/A	59,261,502	56,181,202	60,325,775
	N/A	N/A	N/A	3,126,894	3,472,106	2,665,903
	N/A	N/A	N/A	3,145	1,379	4,020
	N/A	N/A	N/A	3,415,660	4,044,178	3,093,138
	N/A	N/A	N/A	1,177,391	1,353,401	1,382,454
	N/A	N/A	N/A	1,153,353	139,218	162,501
	N/A	N/A	N/A	1,250,000	1,250,000	1,500,000
	N/A	N/A	N/A	465,903	246,836	223,157
	N/A	N/A	N/A	1,709,158	1,960,143	2,018,820
	N/A	N/A	N/A	442,456	395,756	917,291
	N/A	N/A	N/A	45,998	71,247	16,183
	N/A	N/A	N/A	79,189,845	76,479,714	80,260,331

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

GENERAL GOVERNMENTAL FUNDS EXPENDITURES BY FUNCTION (1)
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 3

	Fiscal Year 1995 (2)	Fiscal Year 1996 (2)	Fiscal Year 1997 (2)	Fiscal Year 1998 (2)
Current:				
Instruction:				
Regular	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Special Education	N/A	N/A	N/A	N/A
Vocational	N/A	N/A	N/A	N/A
Adult/Continuing	N/A	N/A	N/A	N/A
Support Services:				
Pupil	N/A	N/A	N/A	N/A
Instructional Staff	N/A	N/A	N/A	N/A
General Administrative	N/A	N/A	N/A	N/A
School Administrative	N/A	N/A	N/A	N/A
Business	N/A	N/A	N/A	N/A
Operation & Maintenance of Plant	N/A	N/A	N/A	N/A
Pupil Transportation	N/A	N/A	N/A	N/A
Central	N/A	N/A	N/A	N/A
Other Support	N/A	N/A	N/A	N/A
Operation of Non-Instructional Service:				
Community Services	N/A	N/A	N/A	N/A
Capital Outlay	N/A	N/A	N/A	N/A
Debt Service				
Interest	N/A	N/A	N/A	N/A
Principal	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A

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

(2) N/A-Not Available. With the reporting changes required under GASB 34, prior GASB34 year numbers are no longer comparable.
 To have prior year numbers restated is not a viable option at this time.

	Fiscal Year 1999 (2)	Fiscal Year 2000 (2)	Fiscal Year 2001 (2)	Fiscal Year 2002 (1)	Fiscal Year 2003 (1)	Fiscal Year 2004 (1)					
\$	N/A	\$	N/A	\$	N/A	\$	25,179,634	\$	25,598,476	\$	25,500,183
	N/A		N/A		N/A		6,479,905		7,439,069		8,183,123
	N/A		N/A		N/A		2,711,936		3,027,131		2,786,631
	N/A		N/A		N/A		38,401		13,707		16,225
	N/A		N/A		N/A		5,811,013		5,950,319		5,809,497
	N/A		N/A		N/A		3,760,535		3,859,572		4,121,610
	N/A		N/A		N/A		660,097		714,826		823,411
	N/A		N/A		N/A		3,562,051		3,821,482		3,864,100
	N/A		N/A		N/A		1,111,936		1,257,101		1,563,941
	N/A		N/A		N/A		6,841,752		7,133,378		7,606,965
	N/A		N/A		N/A		3,645,568		3,562,678		3,698,771
	N/A		N/A		N/A		7,826,354		7,289,859		7,335,729
	N/A		N/A		N/A		143,375		162,206		155,440
	N/A		N/A		N/A		562,237		825,537		1,032,740
	N/A		N/A		N/A		4,117,951		3,840,767		3,254,176
	N/A		N/A		N/A		1,009,194		897,798		768,418
	N/A		N/A		N/A		2,889,944		3,190,519		3,725,122
	N/A		N/A		N/A		76,351,883		78,584,425		80,246,082

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

TABLE 4

FISCAL YEAR	LOCAL SOURCES (2)	COUNTY SOURCES (2)	STATE SOURCES	FEDERAL SOURCES	TOTAL
1995	\$ 39,675,687	\$ 8,988,010	\$ 2,336,973	\$ 1,827,543	\$ 52,828,213
1996	38,448,004	8,683,351	183,735	1,829,287	49,144,377
1997	43,912,897	8,474,801	171,800	1,978,572	54,538,070
1998	46,204,516	9,431,536	5,666,270	2,371,710	63,674,032
1999	39,503,097	8,845,084	8,142,214	3,469,038	59,959,433
2000	40,473,458	9,280,281	7,701,143	4,278,008	61,732,890
2001	41,127,875	8,759,983	2,727,322	4,701,172	57,316,352
2002	57,059,728	11,718,285	4,854,183	5,010,559	78,642,755
2003	57,412,552	12,058,310	4,545,055	5,076,803	79,092,720
2004	61,212,812	11,133,885	3,515,105	5,804,466	81,666,268

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

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

(3) The Insurance Fund prior to fiscal year 2002 was considered an internal service fund type and was not included in the General Governmental Funds totals above.

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CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

TABLE 5

FISCAL YEAR	TAX YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT TAXES AS % OF TOTAL
1995	1994	\$ 44,300,803	\$ 44,180,439	99.73%	\$ 120,364	0.27%
1996	1995	44,340,134	44,256,134	99.81%	84,000	0.19%
1997	1996	48,618,385	48,582,047	99.93%	36,338	0.07%
1998	1997	52,945,273	52,913,768	99.94%	31,505	0.06%
1999	1998	47,087,601	46,631,454	99.03%	456,147	0.97%
2000	1999	45,215,867	44,494,038	98.40%	721,829	1.60%
2001	2000	51,846,678	51,137,426	98.63%	709,252	1.37%
2002	2001	69,835,665	68,626,272	98.27%	1,209,393	1.73%
2003	2002	80,810,637	79,869,866	98.84%	940,771	1.16%
2004	2003	84,598,369	80,457,249	98.65%	1,141,120	1.35%

Source: Campbell County Treasurer

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

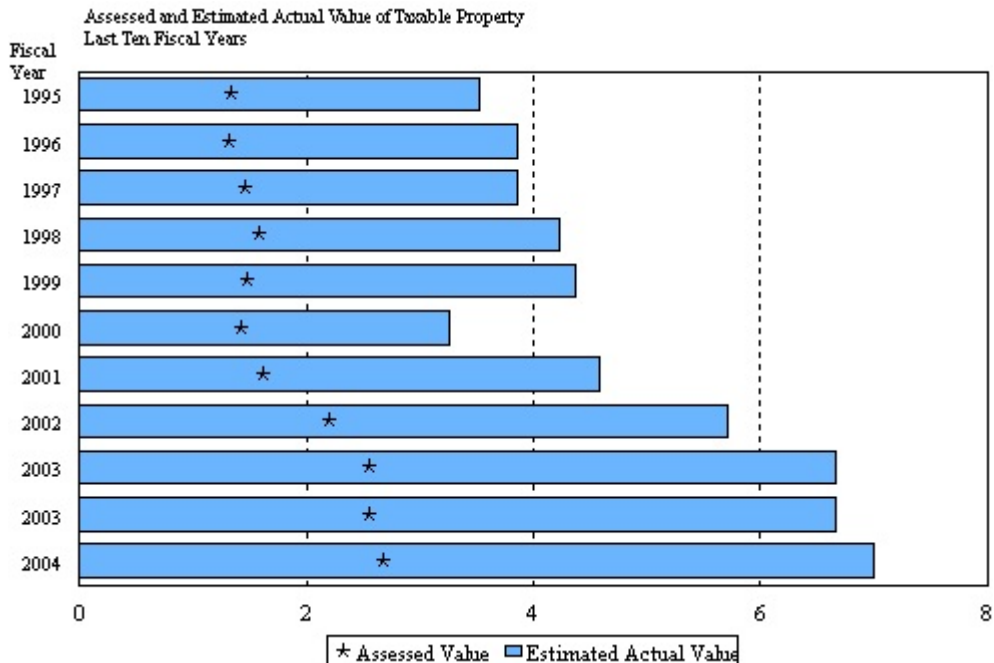
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 6

FISCAL YEAR	TAX YEAR	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	RATIO OF ASSESSED TO ESTIMATED ACTUAL VALUE
1995	1994	\$ 1,342,796,500	\$ 3,539,741,240	37.93%
1996	1995	1,331,629,700	3,879,918,600	34.32%
1997	1996	1,461,667,279	3,877,136,700	37.70%
1998	1997	1,587,776,214	4,246,166,838	37.39%
1999	1998	1,495,260,165	4,380,652,376	34.13%
2000	1999	1,435,820,219	3,272,035,730	43.88%
2001	2000	1,625,064,422	4,598,285,288	35.34%
2002	2001	2,214,064,422	5,729,823,768	38.64%
2003	2002	2,563,944,782	6,674,398,088	38.42%
2004	2003	2,686,679,191	7,010,909,056	38.32%

Source: Campbell

County Assessor



CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

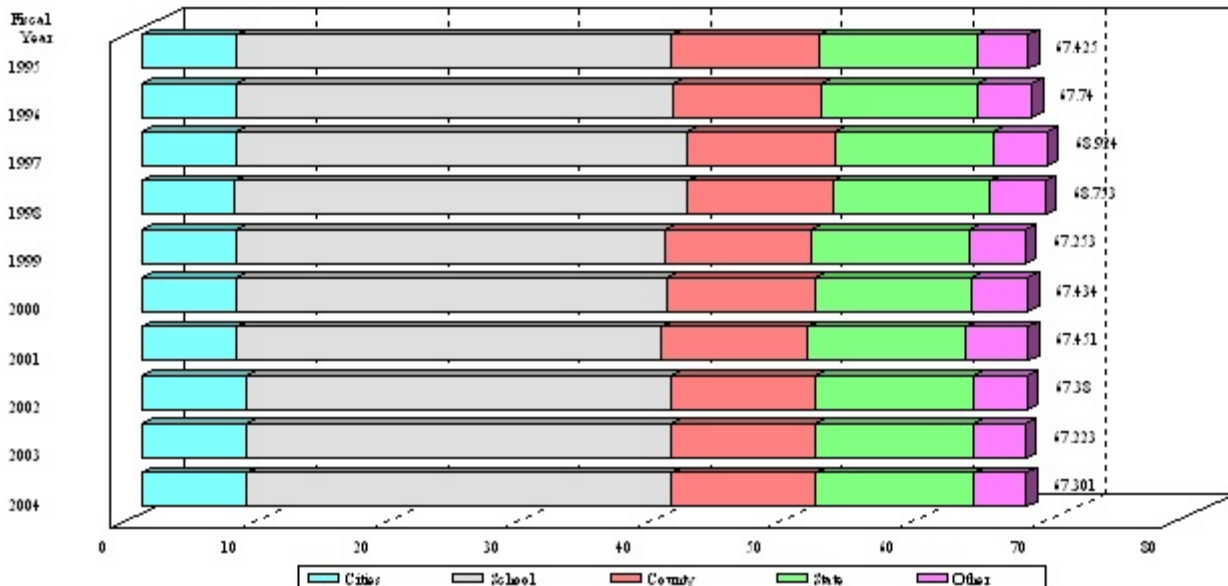
TABLE 7

FISCAL YEAR	TAX YEAR	CITIES	SCHOOL	COUNTY	STATE	OTHER	TOTAL
1995	1994	7.298	33.000	11.269	12.000	3.858	67.425
1996	1995	7.162	33.308	11.207	12.000	4.063	67.740
1997	1996	7.188	34.406	11.204	12.000	4.126	68.924
1998	1997	7.146	34.438	11.035	12.000	4.134	68.753
1999	1998	7.212	32.700	11.109	12.000	4.232	67.253
2000	1999	7.231	32.811	11.175	12.000	4.217	67.434
2001	2000	7.277	32.306	11.133	12.000	4.735	67.451
2002	2001	8.000	32.806	11.004	12.000	4.070	67.880
2003	2002	8.000	32.806	11.007	12.000	3.910	67.723
2004	2003	8.000	32.416	11.005	12.000	3.990	67.411

Source:
Assess

Property Tax Levies - Rates Per \$1,000 of Assessed Value
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Campbell County
or

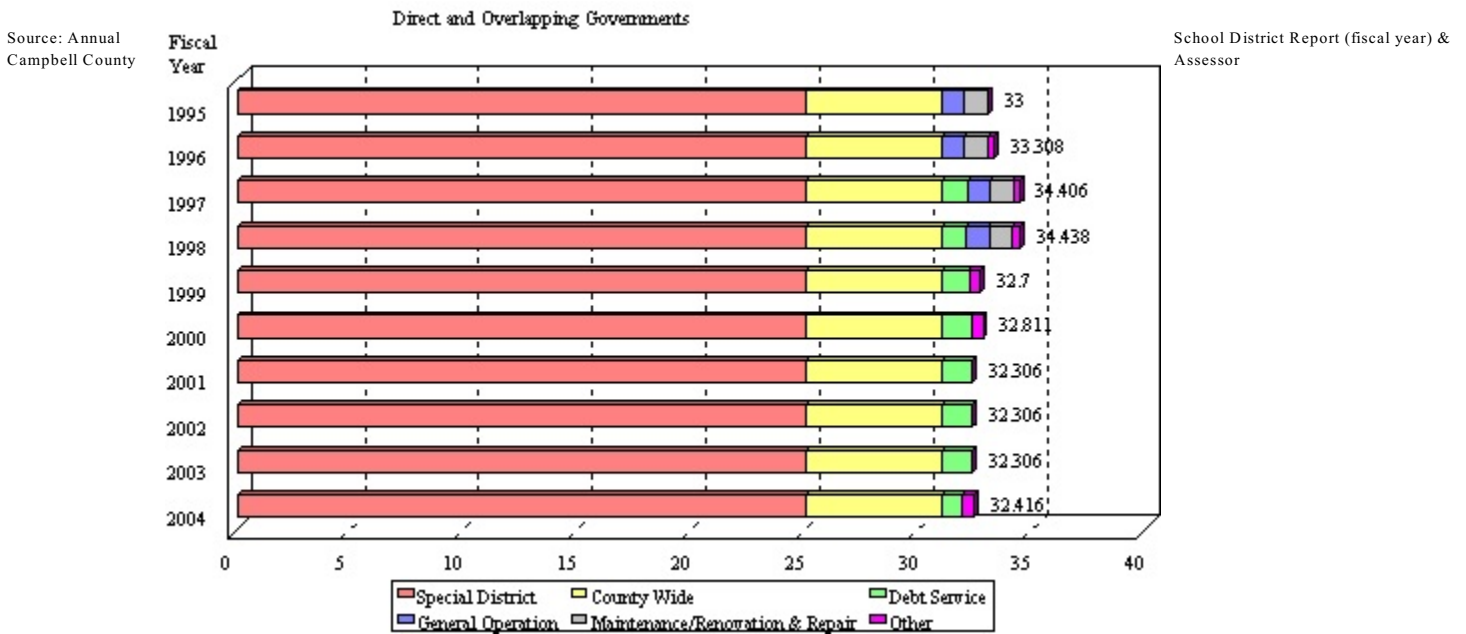


CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

TABLE 8

FISCAL YEAR	SPECIAL DISTRICT	COUNTY WIDE	DEBT SERVICE	GENERAL OPERATION	MAINTENANCE/RENOVATION & REPAIR	BOCES	CCCPRD	TOTAL
1995	25.000	6.000	0.000	1.000	1.000	0.000	0.000	33.000
1996	25.000	6.000	0.000	1.000	1.000	0.308	0.000	33.308
1997	25.000	6.000	1.125	1.000	1.000	0.281	0.000	34.406
1998	25.000	6.000	1.081	1.000	1.000	0.357	0.000	34.438
1999	25.000	6.000	1.200	0.000	0.000	0.500	0.000	32.700
2000	25.000	6.000	1.311	0.000	0.000	0.500	0.000	32.811
2001	25.000	6.000	1.306	0.000	0.000	0.000	0.000	32.306
2002	25.000	6.000	1.306	0.000	0.000	0.000	0.500	32.806
2003	25.000	6.000	1.306	0.000	0.000	0.000	0.500	32.806
2004	25.000	6.000	.916	0.000	0.000	0.000	0.500	32.416



CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

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

TABLE 9

FISCAL YEAR	TAX YEAR	POPULATION (1)	ASSESSED VALUE (2)	GROSS BONDED DEBT	LESS DEBT SERVICE FUND
1995	1994	31,210	\$ 1,342,796,500	\$ 0	\$ 0
1996	1995	31,350	1,331,629,700	0	0
1997	1996	31,810	1,461,667,279	21,545,000	142,034
1998	1997	31,950	1,587,776,214	20,905,000	241,560
1999	1998	32,450	1,495,260,165	19,585,000	420,935
2000	1999	33,698	1,435,820,219	17,915,000	717,491
2001	2000	34,628	1,625,064,422	15,890,000	1,346,345
2002	2001	36,110	2,214,064,422	13,775,000	2,687,291
2003	2002	36,240	2,563,944,782	11,560,000	4,463,883
2004	2003	36,500	2,686,679,191	8,980,000	5,370,375

Sources:

(1) State Agency - Economic Analysis & Campbell County Economic Development Corporation 2003 & 2004 est.

(2) Campbell County Assessor

NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
\$ 0	0.00%	\$ 0
0	0.00%	0
21,402,996	1.46%	673
20,663,440	1.30%	647
19,164,065	1.28%	591
17,197,509	1.20%	510
14,543,655	0.89%	420
11,087,709	0.50%	307
7,096,117	0.28%	196
3,609,625	0.13%	99

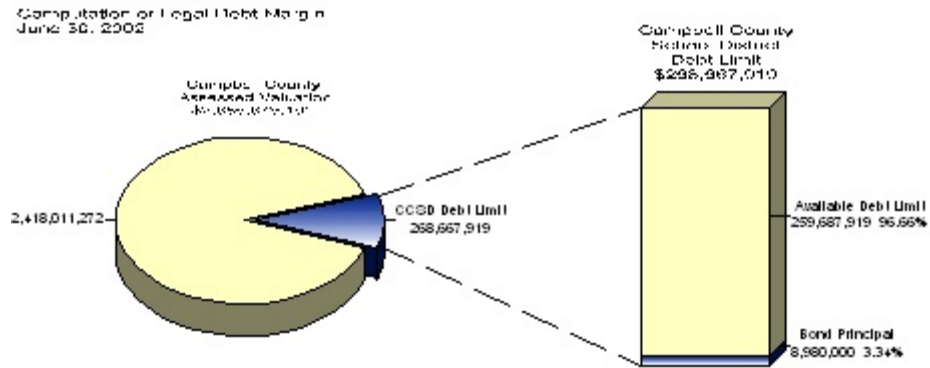
CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2004

TABLE 10

Assessed Valuation		\$	2,686,679,191
Debt Limit	The debt limitation for unified school districts in Wyoming is 10% of the valuation of taxable property in the district as certified by the county assessor. (Wyoming statute 21-13-703)	\$	268,667,919
Bond Principal Outstanding June 30, 2004		\$	8,980,000
Legal Debt Margin		\$	259,687,919



CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

JUNE 30, 2004

(Unaudited)

TABLE 11

TAXING BODY	NET DEBT OBLIGATION	AS OF	OVERLAPPING Percentage	OVERLAPPING Amount
Campbell County School District	\$ 3,609,625	06/30/04	100.00%	\$ 3,609,625
TOTALS	\$ <u>3,609,625</u>			\$ <u>3,609,625</u>

Source: Campbell County Treasurer

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

TABLE 12

FISCAL YEAR	PRINCIPAL (1)	INTEREST (1)	TOTAL DEBT SERVICE (1)	TOTAL GENERAL GOVERNMENTAL EXPENDITURES (2)	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES (%)
1995	\$ 0	\$ 0	\$ 0	\$ 50,917,027	0.00%
1996	0	0	0	52,510,034	0.00%
1997	455,000	1,187,158	1,642,158	60,581,100	2.71%
1998	640,000	1,205,050	1,845,050	68,350,729	2.70%
1999	1,320,000	1,162,650	2,482,650	65,165,799	3.81%
2000	1,670,000	1,075,200	2,745,200	62,930,159	4.36%
2001	2,025,000	964,562	2,989,562	62,383,317	4.79%
2002	2,115,000	862,300	2,977,300	76,351,883	3.90%
2003	2,215,000	753,377	2,968,377	78,584,425	3.78%
2004	2,580,000	637,090	3,217,090	80,246,082	4.01%

Sources:

(1) Annual School District Report

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

DEBT SERVICE SCHEDULE FOR GENERAL OBLIGATION BONDS

As of June 30, 2004

(Unaudited)

TABLE 13

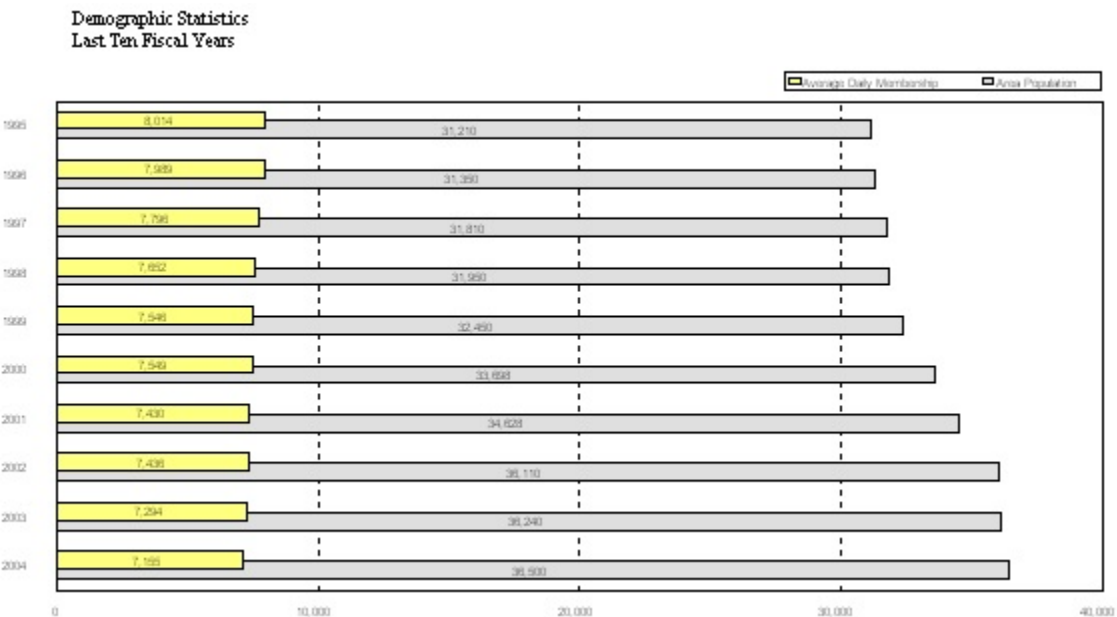
DATE	PRINCIPAL	COUPON	INTEREST	PRINCIPAL & INTEREST TOTAL	ANTICIPATED FROM AML FUNDS	ANTICIPATED FROM TAX LEVY
December 1, 2004	\$		\$ 249,530	249,530	\$	
June 1, 2005	2,725,000	5.450%	249,530	2,974,530	1,500,000	1,724,060
December 1, 2005			175,274	175,274		
June 1, 2006	2,860,000	5.550%	175,274	3,035,274	1,500,000	1,710,548
December 1, 2006			95,909	95,909		
June 1, 2007	3,395,000	5.650%	95,908	3,490,908	1,870,000	1,716,817
TOTALS	<u>8,980,000</u>		<u>1,041,425</u>	<u>10,021,425</u>	<u>4,870,000</u>	<u>5,151,425</u>

DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 14

FISCAL YEAR	POPULATION (1)	AVERAGE DAILY MEMBERSHIP (2)	STUDENTS AS % OF POPULATION	UNEMPLOYMENT RATE (1 or 3)
1995	31,210	8,014	25.68%	4.4%
1996	31,350	7,989	25.48%	3.9%
1997	31,810	7,796	24.51%	4.7%
1998	31,950	7,652	23.95%	4.2%
1999	32,450	7,546	23.25%	4.6%
2000	33,698	7,549	22.40%	3.2%
2001	34,628	7,430	21.46%	2.7%
2002	36,110	7,436	20.59%	3.0%
2003	36,240	7,294	20.13%	3.4%
2004	36,500	7,155	19.60%	2.9%

Sources:
 (1) State Agency - Economic Analysis & Campbell County Economic Development Corporation (2003 & 2004 est)
 (2) Annual School District Report (fiscal year)
 (3) State Agency - Employment Security Commission or Wyoming Department of Employment.



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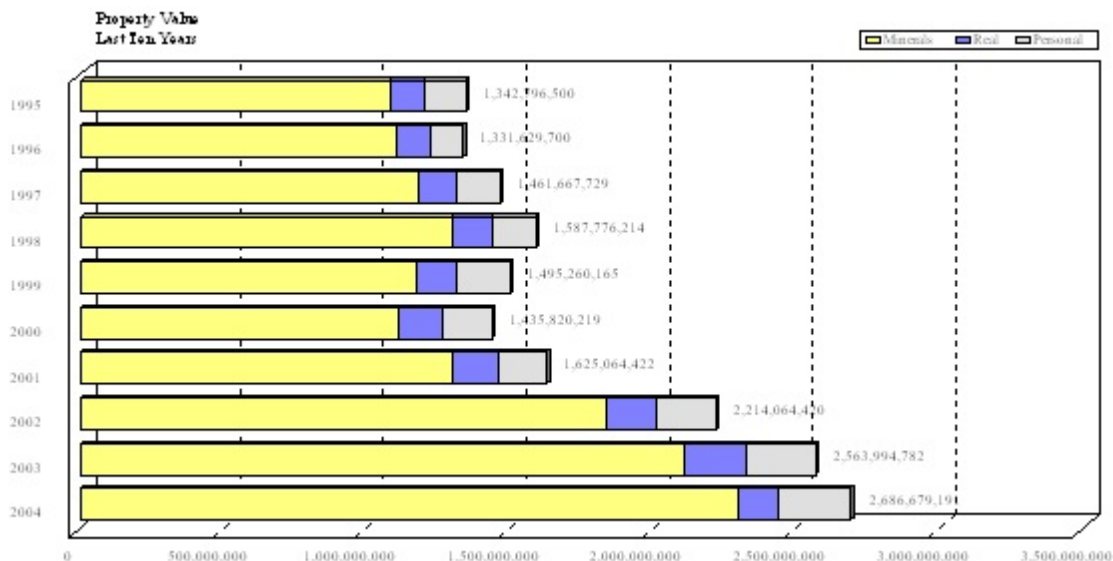
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS
 (Unaudited)

TABLE 15

FISCAL YEAR	TAX YEAR	PROPERTY VALUE (1)			
		Real	Personal	Minerals	Total
1995	1994	\$ 115,605,648	\$ 146,579,198	\$ 1,080,611,654	\$ 1,342,796,500
1996	1995	114,635,706	113,774,864	1,103,219,130	1,331,629,700
1997	1996	135,923,081	148,429,026	1,177,315,622	1,461,667,729
1998	1997	142,995,180	152,381,556	1,292,399,478	1,587,776,214
1999	1998	142,911,586	184,291,987	1,168,056,592	1,495,260,165
2000	1999	154,670,858	172,532,715	1,108,616,646	1,435,820,219
2001	2000	164,356,299	166,001,575	1,294,706,548	1,625,064,422
2002	2001	175,559,534	205,244,281	1,833,260,607	2,214,064,420
2003	2002	211,439,900	245,277,134	2,107,277,748	2,563,994,782
2004	2003	140,206,267	255,508,174	2,290,964,750	2,686,679,191

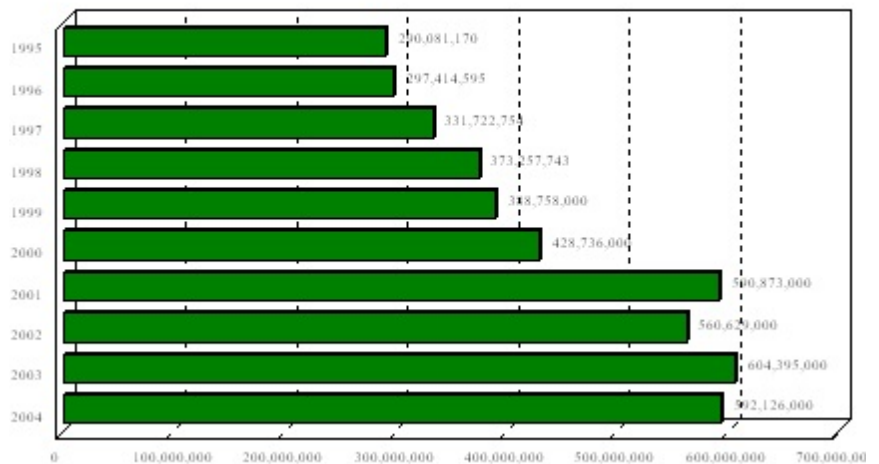
Sources:

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



CALENDAR YEAR	COMMERCIAL		CONSTRUCTION (2) RESIDENTIAL		FISCAL YEAR	BANK DEPOSITS (3) June 30 Balances
	# of Units	Value	# of Units	Value		
1994	19	\$ 1,594,428	48	\$ 6,554,509	1995	\$ 290,081,170
1995	16	3,870,000	48	6,088,150	1996	297,414,595
1996	20	6,041,700	66	9,134,000	1997	331,722,754
1997	14	20,785,000	39	5,241,500	1998	373,257,743
1998	24	6,228,745	49	6,240,400	1999	388,758,000
1999	18	3,253,600	37	5,127,700	2000	428,736,000
2000	21	7,386,880	56	7,255,495	2001	590,873,000
2001	29	16,634,947	104	13,534,894	2002	560,629,000
2002	41	30,986,104	140	19,819,732	2003	604,395,000
2003	32	10,507,237	135	20,257,500	2004	592,126,000

Bank Deposits
On June 30 - Last Ten Years



PRINCIPAL TAXPAYERS (Top 20)
 2003 COLLECTIONS
 (Unaudited)

TABLE 16

TAXPAYER	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENT OF TOTAL VALUATION
Powder River Coal Company	Coal	\$ 313,213,330	11.66%
Devon Energy Production Company L.P.	Oil & Gas	291,480,778	10.85%
Thunder Basin Coal Company	Coal	254,249,469	9.46%
Pennaco Energy Inc	Oil & Gas	187,274,465	6.97%
Triton Coal Company	Coal	175,008,635	6.51%
Rag Coal West Inc	Coal	171,196,061	6.37%
Jacobs Ranch Coal Company	Coal	130,797,662	4.87%
Williams Production RMT Company	Oil & Gas	117,694,765	4.38%
Wyodak Resources Development Corporation	Coal	103,943,274	3.87%
Lance Oil & Gas Company Inc	Oil & Gas	100,701,208	3.75%
Cordero Mining Company	Coal	99,998,274	3.72%
Caballo Coal Company	Coal	98,367,101	3.66%
Williams Production RMT Barrett	Oil & Gas	57,282,695	2.13%
Exxon Mobil Corporation	Oil & Gas	50,057,182	1.86%
Caballo Rojo Inc	Coal	41,354,329	1.54%
Redstone Resources Inc	Oil & Gas	39,111,643	1.46%
Kennedy Oil	Oil & Gas	32,352,647	1.20%
Independent Production Company Inc	Oil & Gas	32,312,537	1.20%
Phillips Petroleum Company	Oil & Gas	31,121,871	1.16%
RIM Operating Inc	Oil & Gas	28,584,587	1.06%
		\$ 2,356,102,513	87.70%

Note: Total Assessed Valuation for tax year 2004 is \$2,686,679,191

Source: Campbell County Assessor

MISCELLANEOUS STATISTICAL DATA
(Unaudited)

TABLE 17

Year County Created: 1911	District Population: (est. as of 6/30/2004)	36,500	
Geographical Area: 3,043,520 acres or 4,755 square miles	Average Daily Membership (Fiscal Year 2004)	7,155	
Teacher Salaries: Min. \$ 28,100 Max. \$ 56,450 Average \$ 40,164	Student / Teacher Ratios:	16.68:1 - Elementary 15.76:1 - Secondary	
Employees: (6/30/2003)			
Instructional Services			
Central Office Administrators	4		
Principals & Asst. Principals	25		
Teaching Staff	585		
Substitute Teachers	205		
Guidance Counselors	17		
Media Specialists	12		
Support Services			
Central Office Administrators	5		
Nurses, Psychologists, and Social Workers	28		
Pupil Transportation	126		
Personnel Services	5		
Operation and Maintenance	107		
Finance, Fiscal Services and Data Processing	14		
School Bldg. Clerical & Aides Support	269		
General Laborer (Science Center)	2		
Printing	6		
Purchasing/Warehouse	6		
Food Services	51		
	<u>1,467</u>		
Number of Schools:	High School Graduates - Fiscal Year 2004:		
High School	1	Campbell County High School	375
Jr./Sr. High School	1	Wright Jr./Sr. High	46
Alternative Transitional Center (specializing in at-risk students)	1	Westwood High School	72
			<u>493</u>
Jr. High Schools	2		
Middle Schools (rural)	2		
Elementary Schools (5 rural)	15		
	<u>22</u>		

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

TABLE 18

FISCAL YEAR	AVERAGE DAILY MEMBERSHIP	ATTENDANCE	PERCENT OF ATTENDANCE	TOTAL GENERAL FUND EXPENDITURES	GENERAL FUND COST PER PUPIL (Based on ADM)
1995	8,014	7,574	94.51%	\$ 45,798,831	\$ 5,715
1996	7,989	7,538	94.35%	46,344,164	5,801
1997	7,796	7,324	93.95%	48,140,983	6,175
1998	7,652	7,253	94.79%	48,446,143	6,331
1999	7,546	7,127	94.45%	49,908,316	6,614
2000	7,549	7,139	94.57%	52,508,172	6,956
2001	7,430	6,998	94.19%	52,188,711	7,024
2002	7,436	7,005	94.20%	63,765,589	8,575
2003	7,294	6,891	94.47%	64,672,165	8,866
2004	7,155	6,744	94.26%	66,236,044	9,257

Source: Annual School District Report

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

TABLE 19

FISCAL YEAR	PAYMENTS TO THE STATE FOUNDATION PROGRAM	
	BUDGETED (2)	PAID (1)
1995	\$ 7,281,300	\$ 6,776,471
1996	6,000,000	5,537,329
1997	9,841,677	9,840,112
1998	14,428,790	13,192,486
1999	6,866,979	6,247,831
2000	5,200,175	1,181,357
2001	5,527,930	9,051,368
2002	19,551,635	19,551,635
2003	26,349,956	26,349,956
2004	29,335,000	28,595,122

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

(2) Presented on Budgetary Basis.

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SINGLE AUDIT

SECTION

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SHUCK, BENNETT & WEBER
CERTIFIED PUBLIC ACCOUNTS AND CONSULTANTS

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

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

Telephone (307) 682-5250
Fax (307) 682-6938
sbw@newwaveis.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, 2004, which collectively comprise the **District's** basic financial statements and have issued our report thereon dated July 23, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Campbell County School District No. 1's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the **District's** ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as Finding IC 04-1.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of **Campbell County School District No. 1** in a separate letter dated July 23, 2004.

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 23, 2004

SHUCK, BENNETT & WEBER
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319 S. Gillette Avenue, Suite 200
P.O. Box 2256
Gillette, WY 82717-2256

Jerry C. Shuck, CPA
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Telephone (307) 682-5250
Fax (307) 682-6938
sbw@newwaveis.com

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

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

Compliance

We have audited the compliance of **Campbell County School District No. 1** with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The **District's** major federal programs are identified in the Summary of Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the **District's** management. Our responsibility is to express an opinion on the **District's** compliance based on our audit.

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

In our opinion, the **District** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

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 04-1.

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 23, 2004

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

Year Ended June 30, 2004

(Page 1 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>Department of Education</u>			
Passed Through State of Wyoming Department of Education			
Carl Perkins, Vocational Education, FY03	84.048A	030VEA006K	\$ 600
Carl Perkins, Vocational Education, FY04	84.048A	040VEA106W	140,752
Carl Perkins, Vocational Education, FY04	84.048A	040VEC170Z	21,000
Tech-Prep Education, FY04	84.243A	040VEK883H	10,287
Title I, FY03	84.010A	030TIA0065	174,159
Title I, FY04	84.010A	040TIA106G	925,740
Title I, FY04	84.010A	04TIASIF2D	1,500
Title I, Neglected and Delinquent FY03	84.010A	03NDS20046	9,389
Title I, Neglected and Delinquent FY04	84.010A	04NDS2002A	10,401
Title I, Even Start FY02	84.213C	02EVST006Q	11,800
Title I, Even Start FY03	84.213C	03EVST025V	9,749
Title I, Even Start FY04	84.213C	04EVST001X	78,510
Title I, Even Start FY04	84.213C	04EVSTPD6K	2,000
Title V, FY03	84.298A	0300T50067	15,154
Title V, FY04	84.298A	0400T5106J	91,394
Drug Free Schools, FY03	84.186A	03SDFS006T	7,925
Drug Free Schools, FY04	84.186A	04SDFS1067	69,774
Title II D, Technology, FY04	84.318X	040T2D106T	58,928
Title II A, FY03	84.367A	030T2A006K	140,234
Title II A, FY04	84.367A	040T2A106W	721,013
Part B, FY03	84.027A	02VIBD0002	5,484
Part B, FY03	84.027A	03VIBA006G	400,603
Part B, FY03	84.027A	02VIBD0020	13,001
Part B, FY04	84.027A	04VIBA106C	869,556
Part B, FY04	84.027A	03VIBD122Y	3,606
Part B, FY03	84.173A	03VIBP006Y	2,111
Part B, FY04	84.173A	04VIBP106C	11,026
Title III, FY03	84.365A	0300T30069	2,916
Title III, FY04	84.365A	0400T3106L	18,477
McKinney Homeless, FY03	84.196A	02DD006000	3,741
McKinney Homeless, FY04	84.196A	03HML5030	511
21 st Century SIG, FY03	84.287C	0321SIG02A	27,424
21 st Century SIG, FY04	84.287C	0321SIG02E	15,600
21 st Century SIG, FY04	84.287C	0321SIG02F	7,300
21 st Century SIG, FY04	84.287C	0421SIG02A	54,560
21 st Century SIG, FY04	84.287C	0421CL03A	18,987
21 st Century SIG, FY03	84.369A	0321SIG02B	13,911
21 st Century SIG, FY04	84.369A	0421SIG02B	7,700
Tobacco Free Schools SIG, FY03	-	0321SIG02D	6,252
Tobacco Free Schools SIG, FY04	-	0421SIG02D	2,301
Total U.S. Department of Education			\$ 3,985,376

(Continued)

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

Year Ended June 30, 2004

(Page 2 of 3)

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	-	\$ 35
Child Care Development Block Grant	93.575	-	2,528
Title IVB Foster Care	93.645	-	2
Title I'VE Foster Care	93.658	-	15
Social Service Block Grant	93.667	-	10
Passed Through State of Wyoming Department of Education			
Consolidated Knowledge Development and Application Program, FY03	93.230	0321SIG02C	87,218
Consolidated Knowledge Development and Application Program, FY04	93.230	0421SIG02C	49,310
Total U.S. Department of Health and Human Services			\$ 139,118
<u>Department of Labor</u>			
Passed Through State of Wyoming Department of Workforce Services and Department of Employment			
School-to-Careers, FY03	17.263	STC-99G	\$ 22,882
School-to-Careers, FY03	17.263	STC-03C1	3,267
School-to-Careers, FY03	17.263	STC-03C5	2,318
School-to-Careers, FY03	17.263	STC-03C6	4,851
School-to-Careers, FY03	17.263	STC-03C8	32,189
School-to-Careers, FY03	17.263	STC-03C9	4,613
Work Investment Act - Youth In-School	17.259	2617YI03J001	2,526
Work Investment Act - Youth In-School	17.259	2617YI03W026	1,963
Work Investment Act - Youth In-School	17.259	2617YI03W022	1,841
Work Investment Act - Youth In-School	17.259	2617YI03W028	1,491
Work Investment Act - Youth In-School	17.259	2617YI02W008	368
Work Investment Act - Youth In-School	17.259	2617YI03W031	2,896
Work Investment Act - Youth In-School	17.259	2617YI03W033	2,208
Work Investment Act - Youth In-School	17.259	2617YI04W006	351
Work Investment Act - Youth In-School	17.259	2617YI04W003	341
Work Investment Act - Youth In-School	17.259	2617YI04W004	386
Work Investment Act - Youth In-School	17.259	2617YI03W036	974
Work Investment Act - Youth In-School	17.259	2617YI03W037	880
Total U.S. Department of Labor			\$ 86,345

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2004

(Page 3 of 3)

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>Department of Agriculture</u>			
Passed Through the State of Wyoming Department of Education			
Food Distribution Program	10.550	-	\$ 61,321
National Breakfast Program	10.553	-	93,722
National School Lunch Program	10.555	-	457,367
Total U.S. Department of Agriculture			\$ 612,410
<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	-	52,125
Total Department of Interior			\$ 1,552,125
Total Expenditures of Federal Awards			\$ 6,375,374

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended **June 30, 2004**

(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>
84.048A	Carl Perkins	\$ <u>162,352</u>
84.010A	Title I	\$ <u>1,121,189</u>
84.367A	Title II-A	\$ <u>861,248</u>
84.027A	Part B	\$ 1,292,250
84.173A	Part B	13,136
	Part B Cluster Total	\$ <u>1,305,386</u>
10.553	National Breakfast Program	\$ 93,722
10.555	National Lunch Program	<u>457,367</u>
	Nutritional Cluster Total	<u>\$ 551,089</u>

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

Auditee qualified as low-risk auditee? yes no

(Continued)

CAMPBELL COUNTY SCHOOL DISTRICT NO. 1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended **June 30, 2004**

(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 04-1 - 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. 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 04-1 - Segregation of Duties in the 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. 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, 2004

1) Prior Year Finding:

Segregation of Duties in the 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.

Auditee's Response.

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

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

Thank You

Shuck, Bennett & Weber, Certified Public Accountants and Consultants

Mike Bennett, Ryan Gemar, Denise Ayers, Andie Gaskins, Norma Miller & Staff

Campbell County Treasurer

Shirley Study, Becky Brazelton, Jackie Blikre & Staff

Campbell County Assessor

Jerry Shatzer & Staff