

**EASTERN WYOMING BOARD OF  
COOPERATIVE EDUCATIONAL SERVICES**

**FINANCIAL AND COMPLIANCE REPORT**

**JUNE 30, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Eastern Wyoming Board of Cooperative  
Educational Services  
Torrington, Wyoming

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

We have audited the accompanying Statement of Cash Receipts and Disbursements of the Eastern Wyoming Board of Cooperative Educational Services (the "Board"), as of and for the year ended June 30, 2016, and the related Note to the Statement of Cash Receipts and Disbursements, which comprise the Board's basic financial statement as listed in the table of contents.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash position of the Board as of June 30, 2016 and the respective cash receipts and disbursements for the year then ended, in accordance with the cash basis of accounting described in Note 1.

***Emphasis of Matter***

*Basis of Accounting*

We draw attention to Note 1 of the financial statement that describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2016 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
December 16, 2016

**EASTERN WYOMING BOARD OF COOPERATIVE  
EDUCATIONAL SERVICES**

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**(Cash Receipts and Disbursements Basis)**

**Year Ended June 30, 2016**

	Budget Original/ Final	Actual	Variance with Final Budget
<b>Receipts:</b>			
Property tax	\$ 1,451,816	\$ 1,488,810	\$ 36,994
Community education	150,225	341,870	191,645
Interest	835	736	(99)
Services to other local government unit	50,000	-	(50,000)
Other	343,134	276,778	(66,356)
<b>Total receipts</b>	<b>\$ 1,996,010</b>	<b>\$ 2,108,194</b>	<b>\$ 112,184</b>
<b>Disbursements:</b>			
Reimbursement of member salaries	\$ 573,614	\$ 515,870	\$ (57,744)
Reimbursement of member benefits	303,708	250,011	(53,697)
Purchased services	193,051	175,014	(18,037)
Supplies	150,863	126,295	(24,568)
Dues and fees	223,244	232,817	9,573
Capital outlay, reimbursed	92,380	39,891	(52,489)
Other	459,150	362,631	(96,519)
<b>Total disbursements</b>	<b>\$ 1,996,010</b>	<b>\$ 1,702,529</b>	<b>\$ (293,481)</b>
<b>Net change in cash</b>		\$ 405,043	
Cash held by members - beginning of year		347,904	
Cash held by members - end of year		<b>\$ 752,947</b>	

See Note to Statement of Cash Receipts and Disbursements.

# EASTERN WYOMING BOARD OF COOPERATIVE EDUCATIONAL SERVICES

## NOTE TO STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

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### Note 1. Nature of Operations and Significant Accounting Policies

Nature of activities: The purpose of the Eastern Wyoming Board of Cooperative Educational Services (the "Board") is to provide member districts and their patrons with opportunities for cooperative educational services, allowing services to be provided more effectively through a cooperative effort. The Board provides educational services including, but not limited to, post-secondary education, concurrent and dual enrollment, career-technical education, community and continuing education and adult basic education.

The Board was created by the mutual agreement of Converse County School District Nos. 1 and 2, Crook County School District No. 1, Eastern Wyoming College, Goshen County School District No. 1, Platte County School District Nos. 1 and 2, and Weston County School District No. 1 in accordance with applicable provisions of Wyoming Statutes 21-20-101 through 21-20-111. Each District has one board member representative. The Board began operations under a new agreement that was adopted by the participating districts during the latter part of 2014. Subsequent to year end, Weston County School District No. 7 was added to the mutual agreement.

A summary of the Board's significant accounting policies follows:

Basis of accounting: The Statement of Cash Receipts and Disbursements of the Board is prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States (U.S. GAAP) as established by the Governmental Accounting Standards Board (GASB). The cash basis of accounting, therefore, does not recognize receivables and payables, inventories, long-lived assets, and accrued income and expenses, which would be recognized under accounting principles generally accepted in the United States.

Cash held by members: Cash consists of cash held by members and deposits at various county treasurers' offices not remitted to the school districts.

Property taxes: Property taxes of .5 mills per county are assessed as of January 1. Taxes are levied on or about August 1 and payable in two installments on November 1 and March 1. The County bills and collects its own property taxes and also taxes for all municipalities and political subdivisions within the County. The Board's property tax receipts are recognized when collected.

Fiscal agency agreement: The member districts have entered into an agreement with Eastern Wyoming College (EWC) to act as fiscal agent and provide administrative support for the Board.

Budget: The Statement of Cash Receipts and Disbursements presents a comparison of the legally adopted budget with actual data. The Board prepares its budget on a cash basis, and the receipts and disbursements presented in the aforementioned statement are on the cash basis. Appropriations lapse at fiscal year end. All budget amendments are approved by the Board of Trustees and are presented within the final budget figures. The budget was not amended during the year ended June 30, 2016.

Wyoming State Statutes require the preparation of an annual budget which provides documentation that all sources and uses of Board resources are properly planned, budgeted, and approved. The budget, upon adoption, is the legal document which places restrictions and limitations on the purposes and amounts for which Board monies may be expended.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees  
Eastern Wyoming Board of Cooperative  
Educational Services  
Torrington, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Cash Receipts and Disbursements of the Eastern Wyoming Board of Cooperative Educational Services (the "Board") as of and for the year ended June 30, 2016, and the related note to the financial statement, which comprise the Board's basic financial statement, and have issued our report thereon dated December 16, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

A handwritten signature in blue ink that reads "McGee, Hearne & Paiz, LLP". The signature is written in a cursive style.

Cheyenne, Wyoming  
December 16, 2016