

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2016

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Amery
Amery, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery, Wisconsin (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery, Wisconsin as of June 30, 2016, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of funding progress, schedule of District's proportionate share of net pension liability (asset), and schedule of District contributions to pension plan, as referenced in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual and combining fund statements The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Education
School District of Amery

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2017 on our consideration of District's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, 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* in considering School District of Amery's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Eau Claire, Wisconsin
January 10, 2017

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

As management of the School District of Amery (District), we offer the readers of the District's financial statements this narrative overview and analysis of financial activities of the District for the fiscal year ending June 30, 2016. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-15 fiscal year include the following:

- The assets of the District exceeded liabilities at the close of the fiscal year by \$17,470,868 (net position). Of this amount, \$11,954,186 represents net investment in capital assets, \$2,233,985 is for restricted purposes and the remaining balance of \$3,282,697 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$878,348 over the prior year.
- Net capital assets decreased by \$402,115 during the year, reflecting the cost of acquisitions less than depreciation expense and disposals.
- The District's general obligation long-term bonds, including the current portion, decreased \$1,865,000 during the year. The District's other long-term obligations, including the current portions, increased \$1,260,064 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$3,904,783 of total revenues of \$22,513,187. General revenues accounted for \$18,608,404, including \$9,354,718 of property taxes and \$8,669,256 of general aid. General revenues accounted for 82.7% of all revenues.
- The District had a total of \$21,634,839 of expenses, of which \$3,904,783 were financed with program revenues.
- The total fund balance of the District's governmental funds increased \$180,119. The general fund had an increase of \$152,824, with an increase of \$59,162 in the debt service fund, and a decrease of \$31,867 in non-major funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to basic financial statements. This report also includes other supplementary information in addition to the basic financial statements, including required supplementary information consisting of the management's discussion and analysis, budgetary comparisons for the major governmental funds, schedule of funding progress and pension related schedules.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

Government-Wide Financial Statements

The two government-wide financial statements are the *Statement of Net Position* and *Statement of Activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. These statements are designed to distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user fees and charges called *business-type activities*. The District had no programs that were accounted for as business-type activities.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows/inflows of resources and liabilities with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The *Statement of Activities* presents information showing how the District's net position changed during the year. This statement reports the cost of governmental functions and how those functions were financed for the fiscal year.

Fund Financial Statements

The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements and/or to control and manage money for particular purposes. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements. Funds can be categorized into three categories: governmental funds, proprietary funds, and fiduciary funds. The District had no proprietary funds for the fiscal year ended June 30, 2016.

Governmental Funds – The District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the governmental funds statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental fund information does not report on long-term commitments as is reported on the government-wide statements. Therefore, explanations of the differences between the governmental funds and the government-wide statements are included as separate statements within the basic financial statements.

Governmental funds include the District's five regular funds; general, education trust, food service, debt service and community services fund (adult education, theatre and day care funds). Also, the District has considered its debt service funds as one fund for report purposes.

Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* for the general fund and debt service fund as these are considered to be major funds. Data for the education trust fund, the food service fund and the community services funds is combined into a single, aggregated column. Data for each of these individual non-major funds is provided separately as supplementary information.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

The District adopts annual budgets for its funds in accordance with statutory requirements. Budgetary comparison statements for the general fund are presented as a major fund has been provided as required supplementary information.

Fiduciary Funds – The District serves as a trustee, or *fiduciary*, for student and related organizations (agency funds) for scholarships established with the District by third-party donors (private-purpose trust funds) and for employee benefit plans (employee benefit trust fund). The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. Fiduciary activities are excluded from the government-wide financial statements because the District cannot use these assets to finance its operations.

Notes of Financial Statements

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

FINANCIAL ANALYSIS

The District as a Whole

Net Position. Table 1, below, provides a summary of the District's net position for the fiscal year ended June 30, 2016, compared to the prior fiscal year.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities	
	2016	2015
Current and Other Assets	\$ 7,502,651	\$ 9,504,154
Capital Assets	18,639,173	19,041,288
Total Assets	26,141,824	28,545,442
Deferred Outflows of Resources	6,350,021	1,530,821
Current Liabilities	2,103,751	2,485,788
Long-Term Liabilities	10,393,019	10,997,955
Total Liabilities	12,496,770	13,483,743
Deferred Inflows of Resources	2,524,207	-
Net Position:		
Net Investment in Capital Assets	11,954,186	10,743,249
Restricted	2,233,985	2,148,844
Unrestricted	3,282,697	3,700,427
Total Net Position	\$ 17,470,868	\$ 16,592,520

A significant portion of the District's net position (68.4%) is its investment in capital assets (e.g. land, buildings, and equipment), less related outstanding debt used to acquire those assets. These assets are used to provide services to students and the community and, consequently, are not available for future spending.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

Restricted net position accounts for 12.8% of total net position. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20) on its general obligation debt. The restricted net position includes \$2,003,012 for this purpose.

Total liabilities decreased by \$986,973 during the year, including a net decrease of \$1,865,000 in outstanding general obligation bonds.

The District's net position increased \$878,348 during the year. The District's unrestricted net position decreased \$417,730 to a balance of \$3,282,697.

Change in Net Position. Table 2 shows the change in net position for the fiscal years 2016 and 2015:

**Table 2
Change in Net Position**

	Governmental Activities	
	2016	2015
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,086,574	\$ 1,124,155
Operating Grants and Contributions	2,818,209	2,409,037
General Revenues:		
Property Taxes	9,354,718	9,481,381
General Formula Aid	8,669,256	8,736,299
Other	584,430	431,010
Total Revenues	22,513,187	22,181,882
Expenses:		
Instruction	12,026,530	12,198,381
Pupil and Instructional Services	1,503,371	1,545,293
Administration and Business	1,697,068	1,831,558
Operation and Maintenance	1,959,468	1,961,495
Pupil Transportation	851,252	868,859
Food Service	918,125	890,758
Community Services	569,202	195,796
Interest on Debt and Fiscal Fees	318,325	353,285
Other	1,791,498	1,539,360
Total Expenses	21,634,839	21,384,785
Change in Net Position	\$ 878,348	\$ 797,097

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

As shown in Table 2, general revenues provided 82.7% of the funding required for governmental activities for fiscal year 2016 with property taxes providing 41.6% of the funding and general formula aid providing 38.5%. Program revenues, consisting of charges for services, grants and contributions, provided 17.3% of the funding. The program revenues were allocated to the expense functions as shown in Table 3.

The District relies primarily on property taxes and general aid to fund governmental activities. School funding regulations restrict the amount by which these two revenue sources, in combination, may be increased. This restriction, called revenue limit, is intended to help hold down increases in property taxes throughout the state. The tax levy for repayment of referendum approved debt is not subject to the revenue limit.

The District's tax levy for the last two fiscal years consisted of the following components:

	2016	2015
Subject to Revenue Limit:		
General Fund	\$ 7,148,808.00	\$ 7,269,280
Debt Service (Non-Referendum)	109,123	110,883
Not Subject to Revenue Limit:		
Debt Service	1,992,787	1,997,218
Community Service	104,000	104,000
	\$ 9,354,718	\$ 9,481,381

General aid is paid according to a formula taking into consideration District spending and property values on a per student basis compared to spending and property values for the state as a whole. The District's general aid decreased \$67,043 (-0.8%) in 2016, from \$8,736,299 in 2015 to \$8,669,256 in 2016.

Table 3 presents the total cost of the major activities: instruction, pupil and instructional services, administration and business, operations and maintenance, pupil transportation, food service, community services, interest and fiscal fees and other. 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 that was placed on the District's taxpayers by each of these functions.

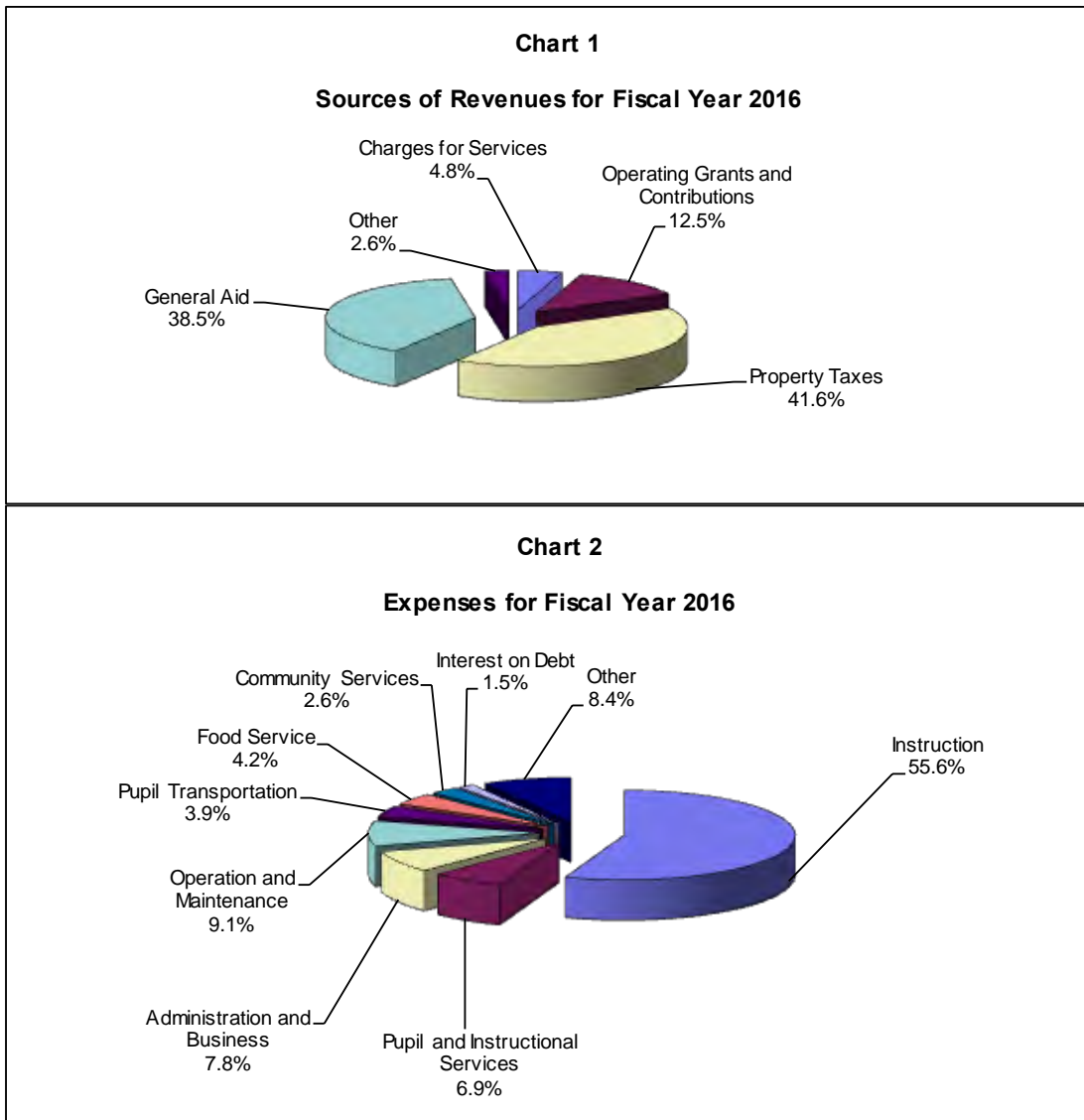
**Table 3
Net Cost of Governmental Activities**

<u>Expense Functions</u>	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 12,026,530	\$ 10,161,777	\$ 12,198,381	\$ 10,316,072
Pupil and Instructional Services	1,503,371	1,066,972	1,545,293	1,188,175
Administration and Business	1,697,068	1,680,714	1,831,558	1,831,558
Operations and Maintenance	1,959,468	1,959,468	1,961,495	1,954,547
Pupil Transportation	851,252	737,050	868,859	723,272
Food Service	918,125	(46,376)	890,758	(7,437)
Community Services	569,202	129,008	195,796	(5,114)
Interest on Debt and Fiscal Fees	318,325	318,325	353,285	353,285
Other	1,791,498	1,723,118	1,539,360	1,497,235
	\$ 21,634,839	\$ 17,730,056	\$ 21,384,785	\$ 17,851,593

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

- The cost of all governmental activities for the year was \$21,634,839.
- Individuals who directly participated or benefited from a program offering paid for \$1,086,574 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,818,209.
- Net cost of governmental activities (\$17,730,056), were financed by general revenues, which are made up primarily of property taxes (\$9,354,718) and general aid (\$8,669,256).

The composition of governmental revenues by source and governmental expenses by function are illustrated in Chart 1 and Chart 2 below.



**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2016 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2016</u>	<u>Balance June 30, 2015</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 3,165,164	\$ 3,012,340	\$ 152,824
Debt Service Fund	2,050,936	1,991,774	59,162
Nonmajor Funds:			
Education Trust	66,025	93,837	(27,812)
Food Service Fund	164,948	83,625	81,323
Community Services Funds:			
Adult Education	(3,965)	877	(4,842)
Theatre	6,832	6,858	(26)
Day Care	(22,862)	57,648	(80,510)
	<u>\$ 5,427,078</u>	<u>\$ 5,246,959</u>	<u>\$ 180,119</u>

The significant portion of the general fund year-end fund balance was unassigned by the District even though it was used to partially finance the outstanding taxes receivable at that date totaling \$3,690,113 which are paid to the District in August subsequent to the June 30, fiscal year-end.

The balance in the debt service fund is to provide the necessary accumulation of funds for debt retirement needs prior to collection of next year's tax levy.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

General Fund Budgetary Highlights

Consistent with current statutes and regulations an *original* budget is adopted in October following determination of official enrollment and certification of general state aids. The District did modify its original budget during fiscal year 2016 as shown in the budgetary comparison schedules under *Required Supplementary Information*. The District ended the year with an overall positive budget variance primarily due to actual interdistrict sources being more than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2016, the District had invested over \$38 million in a broad range of capital assets, including land, land improvements, buildings and equipment (see Table 4). This amount represents a net increase of \$515,082 from the previous year. Accumulated depreciation on these assets totaled \$19,532,926.

**Table 4
Capital Assets**

	June 30,		% Change
	2016	2015	
Land	\$ 380,300	\$ 380,300	0.0%
Land Improvements	2,419,530	2,419,530	0.0
Buildings and Improvements	30,841,764	30,974,909	-0.4
Furniture and Equipment	4,530,505	3,882,278	16.7
Subtotal	<u>38,172,099</u>	<u>37,657,017</u>	1.4
Accumulated Depreciation	19,532,926	18,615,729	4.9
Total	<u>\$ 18,639,173</u>	<u>\$ 19,041,288</u>	-2.1

- Asset acquisitions during the year totaled \$648,227.
- The District disposed of \$133,145 of capital assets during the year.
- The District recognized depreciation expense of \$976,557 during the year.

(More detailed information about capital assets can be found in Note 3.C to the financial statements.)

Long-Term Obligations

At year-end, the District had over \$7.2 million in general obligation bonds outstanding. The District also had other long-term obligations outstanding of approximately \$3.1 million (see Table 5).

General obligation debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for use for annual debt service payments.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2016**

**Table 5
Outstanding Long-Term Obligations**

	June 30,		% Change
	2016	2015	
Long-Term Debt			
General Obligation Bonds	\$ 7,245,000	\$ 9,110,000	-20.5%
Capital Leases	109,055	42,217	158.3%
Other Long-Term Obligations			
Bond Premiums	180,301	9,635	1771.3
Bond Discounts	(5,314)	(6,596)	-19.4
Supplemental Pension Benefits	-	23,450	-100.0%
Other Postemployment Benefits	877,678	1,041,081	-15.7
Compensated Absences	786,856	778,168	1.1
WRS Pension Liability	1,199,443	-	n/a
Total	<u>\$ 10,393,019</u>	<u>\$ 10,997,955</u>	-5.5

- The District issued \$5,920,000 of general obligation bonds during the year to refinance existing debt.
- The District retired \$7,785,000 of outstanding general obligation bonds during the year.

(More detailed information about the District's long-term obligations is presented in Note 3.E to the financial statements.)

FACTORS BEARING ON THE DISTRICT'S FUTURE

Currently known circumstances that will impact the District's financial status in the future are:

- The District's enrollment and property values are declining.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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 James Kuchta, District Administrator, School District of Amery, 543 Minneapolis Avenue South, Amery, Wisconsin 54001.

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 2,899,160
Taxes Receivable	3,690,113
Accounts Receivable	17,074
Due from Other Governments	780,217
Due from Fiduciary Funds	95,474
Supplementary Pension Asset	20,613
Capital Assets:	
Capital Assets Not Being Depreciated	380,300
Capital Assets Being Depreciated	37,791,799
Accumulated Depreciation	<u>(19,532,926)</u>
Total Assets	<u>26,141,824</u>
DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	6,350,021
LIABILITIES	
Accounts Payable	2,745
Accrued Interest Payable	48,791
Payroll Taxes and Withholdings	1,985,730
Due to Fiduciary Funds	50,000
Unearned Revenue	16,485
Long-Term Liabilities:	
Amounts Due Within One Year	2,013,712
Amounts Due In More than One Year	7,179,864
Wisconsin Retirement System Pension Liability	<u>1,199,443</u>
Total Liabilities	<u>12,496,770</u>
DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	2,524,207
NET POSITION	
Net Investment in Capital Assets	11,954,186
Restricted for:	
Debt Service	2,003,012
Education Trust	66,025
Food Service	164,948
Unrestricted	<u>3,282,697</u>
Total Net Position	<u><u>\$ 17,470,868</u></u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Total Governmental Activities
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 8,773,492	\$ 553,053	\$ 602,390	\$ (7,618,049)
Vocational Instruction	618,779	35,199	22,877	(560,703)
Special Instruction	1,860,026	2,575	607,362	(1,250,089)
Other Instruction	774,233	41,297	-	(732,936)
Total Instruction	12,026,530	632,124	1,232,629	(10,161,777)
Support Services:				
Pupil Services	790,844	-	115,569	(675,275)
Instructional Staff Services	712,527	-	320,830	(391,697)
General Administration Services	602,412	-	-	(602,412)
Building Administration Services	825,870	-	-	(825,870)
Business Services	268,786	-	16,354	(252,432)
Operation and Maintenance of Plant	1,959,468	-	-	(1,959,468)
Pupil Transportation Services	851,252	161	114,041	(737,050)
Food Service	918,125	435,363	529,138	46,376
Central Services	281,130	-	-	(281,130)
Insurance and Judgments	173,154	-	-	(173,154)
Interest and Fiscal Fees	318,325	-	-	(318,325)
Other Support Services	529,124	18,926	49,454	(460,744)
Community Services	569,202	-	440,194	(129,008)
Depreciation - Unallocated	808,090	-	-	(808,090)
Total Support Services	9,608,309	454,450	1,585,580	(7,568,279)
Total Primary Government	\$ 21,634,839	\$ 1,086,574	\$ 2,818,209	(17,730,056)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				7,148,808
Property Taxes, Levied for Debt Purposes				2,101,910
Property Taxes, Levied for Community Service Purposes				104,000
State and Federal Aids Not Restricted to Specific Functions:				
General				8,669,256
Other				238,500
Interest and Investment Earnings				74,357
Miscellaneous				271,573
Total General Revenues				18,608,404
Change in Net Position				878,348
Net Position - Beginning of Year				16,592,520
Net Position - End of Year				\$ 17,470,868

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 618,788	\$ 2,053,636	\$ 226,736	\$ 2,899,160
Taxes Receivable	3,690,113	-	-	3,690,113
Accounts Receivable	471	-	16,603	17,074
Due from Other Governments	751,408	-	28,809	780,217
Due from Other Governmental Funds	46,316	-	-	46,316
Due from Fiduciary Funds	94,418	-	1,056	95,474
	<u>\$ 5,201,514</u>	<u>\$ 2,053,636</u>	<u>\$ 273,204</u>	<u>\$ 7,528,354</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 620	\$ -	\$ 2,125	\$ 2,745
Payroll Taxes and Withholdings	1,985,730	-	-	1,985,730
Due to Other Governmental Funds	-	2,700	43,616	46,316
Due to Fiduciary Funds	50,000	-	-	50,000
Unearned Revenues	-	-	16,485	16,485
Total Liabilities	<u>2,036,350</u>	<u>2,700</u>	<u>62,226</u>	<u>2,101,276</u>
Fund Balances:				
Restricted	-	2,050,936	237,805	2,288,741
Assigned	41,734	-	-	41,734
Unassigned	3,123,430	-	(26,827)	3,096,603
Total Fund Balances	<u>3,165,164</u>	<u>2,050,936</u>	<u>210,978</u>	<u>5,427,078</u>
Total Liabilities and Fund Balances	<u>\$ 5,201,514</u>	<u>\$ 2,053,636</u>	<u>\$ 273,204</u>	<u>\$ 7,528,354</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2016**

Total Fund Balances - Governmental Funds \$ 5,427,078

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

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

Capital Assets	\$ 38,172,099	
Accumulated Depreciation	<u>(19,532,926)</u>	18,639,173

Wisconsin Retirement System Pension Plan:

The District's net pension plan liability (asset) and related deferred inflows and outflows are recorded only on the statement of net position. Balances at year-end are:

Net Pension Plan Liability (Asset)	(1,199,443)	
Deferred Outflows of Resources - Pension Related	6,350,021	
Deferred Inflows of Resources - Pension Related	<u>(2,524,207)</u>	2,626,371

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:

General Obligation Debt	7,245,000	
Capital Leases Payable	109,055	
Accrued Interest Payable on Long-Term Debt	48,791	
Vested Employee Benefits	<u>1,643,921</u>	(9,046,767)

The premium and discount on debt issued is deferred in the statement of net position and amortized over the life of the related debt.

In the governmental funds the premium is considered an other financing source when received

(174,987)

Net Position of Governmental Activities

\$ 17,470,868

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 7,148,808	\$ 2,101,910	\$ 104,000	\$ 9,354,718
Other Local Sources	205,262	591	920,401	1,126,254
Interdistrict Sources	532,964	-	-	532,964
Intermediate Sources	7,871	-	-	7,871
State Sources	10,006,919	-	19,609	10,026,528
Federal Sources	722,234	-	529,139	1,251,373
Other Sources	179,889	-	33,590	213,479
Total Revenues	<u>18,803,947</u>	<u>2,102,501</u>	<u>1,606,739</u>	<u>22,513,187</u>
EXPENDITURES				
Instruction:				
Regular Instruction	8,451,286	-	42,232	8,493,518
Vocational Instruction	596,028	-	-	596,028
Special Instruction	1,799,775	-	45	1,799,820
Other Instruction	769,206	-	3,116	772,322
Support Services:				
Pupil Services	762,966	-	1,838	764,804
Instructional Staff Services	689,651	-	-	689,651
General Administration	753,026	-	83,799	836,825
School Building Administration	797,170	-	1,415	798,585
Business Services	260,005	-	-	260,005
Operation and Maintenance of Plant	1,947,241	-	-	1,947,241
Pupil Transportation Services	848,673	-	-	848,673
Food Service	-	-	902,787	902,787
Central Services	382,609	-	-	382,609
Insurance and Judgments	173,154	-	-	173,154
Debt Service	76,310	2,133,605	-	2,209,915
Other Support Services	481,282	-	57,601	538,883
Community Services	-	-	545,773	545,773
Total Expenditures	<u>18,788,382</u>	<u>2,133,605</u>	<u>1,638,606</u>	<u>22,560,593</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	15,565	(31,104)	(31,867)	(47,406)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	5,920,000	-	5,920,000
Premium on Debt Issued	-	190,266	-	190,266
Capital Lease Proceeds	137,259	-	-	137,259
Principal Payments on Refinanced Debt	-	(6,020,000)	-	(6,020,000)
Net Other Financing Sources (Uses)	<u>137,259</u>	<u>90,266</u>	<u>-</u>	<u>227,525</u>
NET CHANGE IN FUND BALANCES	152,824	59,162	(31,867)	180,119
Fund Balances, Beginning of Year	<u>3,012,340</u>	<u>1,991,774</u>	<u>242,845</u>	<u>5,246,959</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,165,164</u>	<u>\$ 2,050,936</u>	<u>\$ 210,978</u>	<u>\$ 5,427,078</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Net Change in Fund Balances - Total Governmental Funds \$ 180,119

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Capital Outlays Reported in Governmental Fund Statements	\$ 648,227	
Depreciation Expense Reported in the Statement of Activities	<u>(976,557)</u>	(328,330)

In the statement of activities, the gain or loss on the sale or disposal of capital assets is recognized. The fund financial statements recognize only the proceeds from these sales.

The gain (loss) on disposal of capital assets during the year is: (73,785)

Wisconsin Retirement System Pension Liability:

Pension expenses on the governmental funds are measured by current year employee contributions. Pension expenditures on the statement of activities are measured by the change in net pension liability and the related deferred inflows and outflows of resources. (762,499)

Long-term debt incurred in governmental funds is reported as an other financing source, but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt incurred in the current year is: (6,057,259)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is: 7,855,421

In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues:

Interest Paid During the Current Period	282,221	
Interest Accrued During the Current Period	<u>(244,370)</u>	37,851

The premium on debt issued is amortized over the life of the related debt in the statement of activities. The debt premium is considered an other financing source in the governmental funds. In the current year this amount consists of (190,266)

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:

Amortization of Debt Premium	19,600	
Amortization of Debt Discount	(1,282)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>198,778</u>	<u>217,096</u>

Change in Net Position of Governmental Activities \$ 878,348

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016**

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Investments	\$ 697,608	\$ 154,824	\$ 133,353
Due from Governmental Funds	50,000	-	-
Total Assets	<u>\$ 747,608</u>	<u>\$ 154,824</u>	<u>\$ 133,353</u>
LIABILITIES			
Due to Governmental Funds	\$ 95,474	\$ -	\$ -
Due to Student Organizations	-	-	133,353
Total Liabilities	<u>95,474</u>	<u>-</u>	<u>\$ 133,353</u>
NET POSITION			
Restricted	<u>\$ 652,134</u>	<u>\$ 154,824</u>	

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2016**

	<u>Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Local Sources:		
Interest	\$ 8,986	\$ 21,192
Other Sources - Contributions	338,444	-
Total Additions	<u>347,430</u>	<u>21,192</u>
DEDUCTIONS		
Trust Fund Disbursements	<u>171,974</u>	<u>22,250</u>
CHANGE IN NET POSITION	175,456	(1,058)
Net Position, Beginning of Year	<u>476,678</u>	<u>155,882</u>
NET POSITION, END OF YEAR	<u>\$ 652,134</u>	<u>\$ 154,824</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The financial statements of the School District of Amery (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

B. Reporting Entity

The School District of Amery is organized as a common school district. The District, governed by a five member elected school board, operates grades PK through twelve and is comprised of all or parts of twelve taxing districts.

The financial reporting of the District is defined by the GASB to consist of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The basic financial statements of the District consist solely of the primary government. No other organizations were identified for inclusion in the financial reporting entity of the District.

C. Government-Wide and Fund Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds) as described below:

Government-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental type activities. (The District had no business-type activities for the reporting year.) These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Government-Wide Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the District's funds, including fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District has the following major governmental funds:

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Additionally, the District reports the following fiduciary funds:

Private-Purpose Fund – The Private-Purpose Fund is used to account for assets held by the District in a trustee capacity for individuals, private organizations and for other governmental units, including scholarship funds.

Employee Benefit Trust Fund – The Employee Benefit Trust Fund is used to account for resources held in trust for formally established employee benefit plans.

Agency Fund – The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and/or other governmental units; specifically, activities of student organizations are accounted for in the agency fund.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide and fiduciary trust funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Agency funds do not have a measurement focus.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity

1. Deposits and Investments

Investments of the District are stated at fair value. The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless maintained in segregated accounts.

The District is required to invest its funds in accordance with Wisconsin Statutes 66.0603 and 67.11(2). State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Donations to the District of securities or other property are included in trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with the laws applicable to trust investments.

2. Receivables and Payables

Property Taxes. Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. The county treasurer then makes settlement with the city, town, village and school districts before retaining any for county purposes collects second installment real estate taxes and delinquent taxes.

The District's property taxes are levied on or before October 31 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real property taxes.

SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity (Continued)

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2015 tax levy is used to finance operations of the District's fiscal year ended June 30, 2016. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes that are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable. All accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since such allowance would not be material.

Interfund Balances. The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds". The non-current portion of outstanding balances between funds is reported as "advances to/from other funds". Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources. For government-wide financial statements, eliminations were made for amounts due to and due from within the same fund type.

3. Inventories and Prepaid Items

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or market and recorded as an expenditure when consumed rather than when purchased.

4. Capital Assets

Capital assets are reported at actual cost or estimated historical costs based on an appraisal conducted by an independent third-party appraisal firm. Donated assets are reported at estimated fair market value at the time received.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

4. Capital Assets (Continued)

Capitalization thresholds (the dollar valued above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$5,000	N/A	N/A
Land Improvements	5,000	Straight-line	20 Years
Buildings	5,000	Straight-line	50 Years
Building Improvements	5,000	Straight-line	7-30 Years
Furniture and Equipment	5,000	Straight-line	5-20 Years
Vehicles	5,000	Straight-line	8 Years
Textbooks, Library and Media*	5,000	Straight-line	5-7 Years

* For purposes of determining the capitalization threshold for these items the District groups all purchases for the year.

5. Deferred Outflows of Resources

The District reports decreases in net position or fund balance that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred outflows of resources for pension related items.

6. Deferred Inflows of Resources

The District reports increases in net position or fund balance that apply to a future period as deferred inflows of resources in a separate section of its government-wide statement of net position or governmental fund balance sheet. The District reports deferred inflows of resources for pension related items.

7. Compensated Absences

It is the District's policy to permit certain employees to accumulate paid leave benefits. Liabilities for accumulated employee leave benefits are not accrued in the District's governmental fund financial statements but are recorded as expenditures when paid. Such liabilities are accrued in the government-wide financial statements when earned. The District's policies and estimated liabilities at year-end are further discussed in Note 4.D.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

8. Other Postemployment Benefits Payable

Under the provisions of various employee and union contracts the District provides a retirement program for certain employees which include certain health insurance benefits. The amount to be incurred is limited as specified by contract. All premiums are funded from an employee benefit trust fund (see Note 4.E). The benefit accrual was actuarially determined.

9. Supplemental Pension Plan

Under the provisions of various employee and union contracts the District provides a supplemental retirement program whereas the District pays the retirees a lump sum of \$10,000 upon retirement if certain age, minimum years of service, and hire date requirements are met. All pension costs are funded on a pay-as-you-go basis. This amount was actuarially determined.

10. Wisconsin Retirement System Pension Benefits

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Long-Term Obligations

In the government-wide financial statements, outstanding long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the debt service fund.

12. Use of Restricted Resources

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**E. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Equity
(Continued)**

13. Equity Classifications

Fund equity, representing the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is classified as follows in the District's financial statements:

Government-Wide Statements. Fund equity is classified as net position in the government-wide financial statements and is displayed in three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is displayed as unrestricted.

Fund Financial Statements. In the fund financial statements, governmental funds report components of fund balance to provide information about fund balance availability for appropriation. Nonspendable fund balance represents amounts that are inherently nonspendable or assets that are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. It is the District's policy that at the end of each fiscal year, the District will maintain unassigned portion of fund balance for cash flow of at least 5% of annual general fund expenditures.

Committed fund balance is required to be established, modified, or rescinded by resolution of the District Board prior to each year end. Based on resolution of the District Board, the District Superintendent and/or District Director of Finances have the authority to establish or modify assigned fund balance. When restricted and unrestricted fund balance is available for an expenditure, it is the District's policy to first use restricted fund balance. When committed, assigned, and unassigned fund balance is available for an expenditure, it is the District's policy to use committed, assigned and finally unassigned fund balance.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

In the general fund expenditures exceeded the budgeted amount for expenditures as shown below:

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	\$ 3,856,975	\$ 3,856,975	\$ 3,981,781	\$ (124,806)
Co-Curricular Activities	337,465	337,465	397,494	(60,029)
Support Services:				
Pupil Services	742,929	742,929	762,966	(20,037)
General Administration	643,575	643,575	753,026	(109,451)
Insurance and Judgments	154,857	154,857	173,154	(18,297)
Debt Services	76,128	76,128	76,310	(182)
Other Support Services	150,413	160,413	467,210	(306,797)
Non-Program:				
Other Non-Program	-	-	10,170	(10,170)

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as recommended by the Department of Public Instruction. In addition, the trust and agency funds use separate and distinct accounts. All other funds share in common cash and investment accounts.

The District's cash and investments balances at June 30, 2016 were shown in the financial statements as follows:

Governmental Funds	\$ 2,899,160
Fiduciary Funds:	
Employee Benefit Trust Funds	697,608
Private Purpose Trust Funds	154,824
Agency Funds	133,353
	<u>\$ 3,884,945</u>

The above balances at June 30, 2016 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State	
Depository Coverage	\$ 3,187,137
Deposits with Fiscal Agent (Employee Benefit	
Trust Funds)	697,608
Investment Trust Account (Trust Fund)	
Non-Depository Petty Cash Funds	200
	<u>\$ 3,884,945</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest-bearing demand deposit accounts (which were permitted after July 21, 2011). The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal. The insurance coverage of accounts held by government depositors is different if the depository institution is located outside the State in which the public unit is located. In that case, all deposits, both time and savings deposits and demand deposits, owned by the public unit and held by the public unit's official custodian are added together and insured up to \$250,000.

Time and savings deposits are not insured separately from demand deposits. Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the Village to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2016, the District's deposits were not exposed to custodial credit risk.

Deposits in Repurchase Investment Sweep Account. The District has invested funds in government securities through and an overnight repurchase investment sweep account. After all debit and credit transactions have posted at the end of each business day, excess balances are automatically moved to the automated repurchase investment sweep account for overnight investment in government securities to maximize the use of idle funds. Interest is earned on a daily basis and withdrawals are generally available on the day of the request. Deposits in repurchase investment sweep account are not covered by federal depository insurance but are collateralized at 100% of the market value. The financial institution is acting as the agent and serves as custodian of the securities held as collateral for the District.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2016 consisted of deposits in the following external investment pool, an investment with a fiscal agent:

Investment with Fiscal Agent. The deposits with fiscal agent consisted of amounts paid into the employee benefit trust fund (see Note 4.B and Note 4.C) and are comprised of amounts invested in non-registered fixed annuity accounts. These funds (\$426,679) are held at MidAmerica. The investment is neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. The District's policy is to invest its funds in accordance with provisions of the Wisconsin Statutes previously discussed Note 1.E.1. The District does not have a concentration risk policy that would restrict the percentage of investment holdings that can be in one issuer or counterparty.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with maturity dates further into the future are more sensitive to changes in market interest rates. The daily maturities of the investment in Mid-American mitigate this risk to the District.

B. Fair Value Measurements

The District uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The District follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. In accordance with this standard, the District has categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Fair Value Measurements (Continued)

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

Investments Measured at Net Asset Value (NAV) \$ 697,608

C. Capital Assets

Changes in the capital assets for the year ended June 30, 2016 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 380,300	\$ -	\$ -	\$ 380,300
Capital Assets, Being Depreciated				
Land Improvements	2,419,530	-	-	2,419,530
Buildings and Improvements	30,974,909	-	(133,145)	30,841,764
Furniture and Equipment	3,882,278	648,227	-	4,530,505
Total Capital Assets, Being Depreciated	37,276,717	648,227	(133,145)	37,791,799
Accumulated Depreciation for				
Land Improvements	1,631,402	64,844	-	1,696,246
Buildings and Improvements	13,789,875	692,621	(59,360)	14,423,136
Furniture and Equipment	3,194,452	219,092	-	3,413,544
Total Accumulated Depreciation	18,615,729	976,557	(59,360)	19,532,926
Total Capital Assets, Being Depreciated, Net	18,660,988	(328,330)	(73,785)	18,258,873
Governmental Activities Capital Assets, Net	<u>\$ 19,041,288</u>	<u>\$ (328,330)</u>	<u>\$ (73,785)</u>	<u>\$ 18,639,173</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Instruction:			
Regular Instruction		\$	33,680
Vocational Instruction			2,125
Special Instruction			423
Other Instruction			509
Support Services:			
Instructional Staff Services			622
General Administrative Services			32,255
Operation and Maintenance of Plant			19,064
Pupil Transportation Services			105,344
Food Service			11,593
Central Services			36,637
Unallocated Depreciation			734,305
Total Depreciation for Governmental Activities		\$	976,557

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2016 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Day Care Community Service Fund	\$ 38,704	Transaction Settlement Between Funds
General Fund	Adult Education Community Service Fund	4,912	Transaction Settlement Between Funds
General Fund	Employee Benefit Trust Fund	87,193	Transaction Settlement Between Funds
General Fund	Employee Benefit Trust Fund	7,225	Transaction Settlement Between Funds
Adult Education Community Service Fund	Employee Benefit Trust Fund	1,056	Transaction Settlement Between Funds
General Fund	Debt Service Fund	2,700	Reimbursement for Agent Fees
Employee Benefit Trust Fund	General Fund	50,000	Transaction Settlement Between Funds
		<u>\$ 191,790</u>	

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2016 were as follows:

	Balances July 1, 2015	Additions	Reductions	Balances June 30, 2016	Amounts Due Within One Year
General Obligation Bonds	\$ 9,110,000	\$ 5,920,000	\$ 7,785,000	\$ 7,245,000	\$ 1,905,000
Bond Premiums	9,635	190,266	19,600	180,301	-
Bond Discounts	(6,596)	-	(1,282)	(5,314)	-
Capital Leases	42,217	137,259	70,421	109,055	25,853
Other Postemployment Benefits	1,041,081	130,536	293,939	877,678	-
Compensated Absences	778,168	24,795	16,107	786,856	82,859
	<u>\$ 10,974,505</u>	<u>\$ 6,402,856</u>	<u>\$ 8,183,785</u>	<u>\$ 9,193,576</u>	<u>\$ 2,013,712</u>

The District's estimated liabilities for other postemployment benefits, pension benefits, and compensated absences are discussed in Note 4.B, 4.C, and 4.D, respectively.

General Obligation Debt

Individual general obligation long-term debt issues outstanding at June 30, 2016 and future principal and interest requirements for their retirement at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
General Obligation Bonds:					
Refunding Bonds	10/14/09	10/1/17	2.00% - 3.25%	\$ 1,355,000	\$ 500,000
Refunding Bonds	4/1/10	10/1/16	2.00% - 2.50%	3,445,000	90,000
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	1,035,000	735,000
Refunding Bonds	8/3/15	10/1/20	2.00% - 3.00%	5,920,000	5,920,000
					<u>\$ 7,245,000</u>

During fiscal year 2016, the District issued \$5,920,000 in general obligation refunding bonds to advance refund the principal remaining on the 2005 \$8,500,000 general obligation refunding bonds.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2016 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,905,000	\$ 190,890	\$ 2,095,890
2018	1,630,000	128,830	1,758,830
2019	1,110,000	96,080	1,206,080
2020	1,135,000	72,340	1,207,340
2021	1,165,000	47,736	1,212,736
2022-2024	300,000	21,245	321,245
Total	<u>\$ 7,245,000</u>	<u>\$ 557,121</u>	<u>\$ 7,802,121</u>

The 2015 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$845,020,578. The legal debt limit and margin of indebtedness as of June 30, 2016 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$845,020,578)	\$ 84,502,058
Deduct Long-Term Debt Applicable to Debt Margin	<u>7,245,000</u>
Margin of Indebtedness	<u>\$ 77,257,058</u>

Capital Lease Payable

At June 30, 2016, the District had one capital lease obligation outstanding. The lease dated July 1, 2015 in the amount of \$137,259 is for the purchase of a telephone system. The present value of the lease payments at June 30, 2016 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2017	\$ 29,725
2018	29,727
2019	29,725
2020	29,726
Total Minimum Lease Payments	<u>118,903</u>
Less: Amount Representing Interest	<u>9,848</u>
Present Value Net Minimum Lease Payments	<u>\$ 109,055</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Temporary Notes Payable

Changes in temporary notes payable of the District for the year ended June 30, 2016 were as follows:

Principal Outstanding at 7/1/15	Loan Proceeds	Repayments	Principal Outstanding at 6/30/16	Accrued Interest 6/30/16	Interest Expense	Interest Rate	Maturity Date
\$ -	\$ 500,500	\$ 500,500	\$ -	\$ -	\$ 182	3.25%	10/31/16

The District's temporary notes payable consists of a line of credit that has an outstanding maximum draw limit of \$2,000,000. Any outstanding balance on the line of credit is secured by tax receipts sufficient for repayment. The temporary notes payable is for short-term cash flow purposes.

On November 4, 2016, the District renewed the line of credit with a maximum draw limit of \$2,000,000. The renewed line of credit accrues interest at 3.25% and expires on October 31, 2017.

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2016 consisted of the following:

	Total	Restricted	Assigned	Unassigned
Major Funds:				
General Fund				
Assigned - CTE Project	\$ 41,734	\$ -	\$ 41,734	\$ -
Unassigned	3,123,430	-	-	3,123,430
Subtotal General Fund	3,165,164	-	41,734	3,123,430
Debt Service Payments	2,050,936	2,050,936	-	-
Nonmajor Funds:				
Special Revenue Funds:				
Education Trust Purposes	66,025	66,025	-	-
Food Service Purposes	164,948	164,948	-	-
Community Services Programs:				
Adult Education Purposes	(3,965)	-	-	(3,965)
Theatre Purposes	(16,030)	6,832	-	(22,862)
Subtotal Nonmajor Funds	210,978	237,805	-	(26,827)
Total Governmental Funds Balances at June 30, 2016	<u>\$ 5,427,078</u>	<u>\$ 2,288,741</u>	<u>\$ 41,734</u>	<u>\$ 3,096,603</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

Vesting. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided. Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the District's fiscal year reporting period July 1, 2015 through June 30, 2016, the WRS recognized \$686,989 in contributions from the employer.

Contribution rates as of June 30, 2016 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.6%	6.6%

Post-Retirement Adjustments. The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.8%	3.0%
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the District reported a liability of \$1,199,443 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014 and rolled forward to December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2014, the District's proportion was 0.07381274 percent, which was a decrease of 0.00183229 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,457,929. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 202,912	\$ 2,524,207
Change in Assumptions	839,182	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,910,862	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	47,713	-
District Contributions Subsequent to the Measurement Date	349,352	-
Total	<u>\$ 6,350,021</u>	<u>\$ 2,524,207</u>

\$349,352 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Pension Expense Amount
2016	\$ 946,559
2017	946,559
2018	946,559
2019	689,319
2020	(52,534)
Thereafter	-

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	5-Year Smoothed Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Inflation	3.2% to 8.8%
Seniority/Merit	0.2% - 5.8%
Mortality:	WRS experience projected to 2017 with scale BB
Post-retirement Adjustments*:	5.0%

*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21%	5.3%	70%	5.3%
International Equity	23%	5.7%	30%	5.7%
Fixed Income	36%	1.7%	N/A	N/A
Inflation Sensitive Assets	20%	2.3%	N/A	N/A
Real Estate	7%	4.2%	N/A	N/A
Private Equity/Debt	7%	6.9%	N/A	N/A
Multi-Asset	6%	3.9%	N/A	N/A
Cash	-20%	0.9%	N/A	N/A
Totals	100%		100%	

Discount rate. A single discount rate of 7.20 percent was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20 percent and a long term bond rate of 3.56 percent. Because of the unique structure of WRS, the 7.20 percent expected rate of return implies that a dividend of approximately 2.1 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

Pension Liability (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Sensitivity of the District's proportionate share of the net pension liability (asset) to changes in the discount rate. The following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 8,412,914	\$ 1,199,443	\$ (4,434,407)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 16-10.

B. Other Postemployment Benefit Plan

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The District engaged an actuary to determine the District's liability for postemployment healthcare benefits other than pensions.

Single-Employer Plan Description

The District offers a supplemental retirement program for certain employees which includes certain health insurance benefits. The District provides these benefits according to negotiated agreements. The amounts vary based on age, years of service, and classification of employees. There were approximately 108 active participants and 30 retired participants receiving benefits from the District's health plans.

Funding Policy

The District funds its OPEB obligation by paying actuarially determined amounts into a separate trust fund. For the year ended June 30, 2016, the District contributed \$293,939 to the plan.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation.

Annual Required Contribution	\$ 152,447
Interest on Net OPEB Obligation	57,259
Adjustment to Annual Required Contribution	<u>(79,170)</u>
Annual OPEB Cost (Expense)	130,536
Contributions Made	<u>(293,939)</u>
Change in Net OPEB Obligation	(163,403)
Net OPEB Obligation (Asset) - Beginning of Year	<u>1,041,081</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 877,678</u></u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/14	\$ 560,224	57.4%	\$ 1,186,967
6/30/15	127,466	214.5%	1,041,081
6/30/16	130,536	225.2%	877,678

Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the District's actuarial accrued liability (UAAL) was \$1,915,344, and the actuarial value of assets was \$472,639, resulting in an unfunded actuarial accrued liability of \$1,442,705. The funded status as of July 1, 2012 was 25%. The annual payroll for active employees covered by the plan was \$10,241,945 for a ratio of UAAL to covered payroll of 14.1%.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the entry age normal level percentage of salary actuarial cost method was used. The actuarial assumptions included a 5.5% interest discount rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 7.5%, reduced by decrements to an ultimate rate of 5.0% by the year 2032. The UAAL is being amortized on a 24 year closed level dollar amount. The remaining amortization period at June 30, 2016 was 22 years.

C. Supplemental Pension Plan

The District engaged an actuary to determine the District's liability for its supplemental pension plan.

Single-Employer Plan Description

The District offers an early retirement incentive program for teachers who elect to retire, are 56 years of age or older, have 15 years of service in the District and were hired prior to July 1, 2004. For each qualifying retiree, the District makes a lump-sum payment of \$10,000 that is not extended to the surviving spouse in the event of the retiree's death. There were approximately 130 possible participants under this plan.

Funding Policy

The District funds its pension obligation on a pay-as-you-go basis. For fiscal year 2016, the District contributed \$73,044 to the plan.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Annual Pension Cost and Net Pension Asset

The District's annual pension cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 27. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual pension cost for the year, the amount actually paid from the plan, and changes in the District's net pension asset.

Annual Required Contribution	\$	40,476
Interest on Net Pension Obligation		938
Adjustment to Annual Required Contribution		(12,433)
Annual Pension Cost (Expense)		28,981
Contributions Made		(73,044)
Change in Net Pension Obligation		(44,063)
Net Pension Obligation (Asset) - Beginning of Year		23,450
Net Pension Obligation (Asset) - End of Year	\$	(20,613)

The District's annual pension cost, the percentage of the annual pension cost contributed to the plan, and the net pension obligation (asset) for fiscal year 2016 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual Pension Cost	Percentage of Annual Pension Cost Contributed	Net Pension Obligation (Asset)
6/30/14	\$ 46,180	93.2%	\$ 29,334
6/30/15	26,128	122.5%	23,450
6/30/16	28,981	252.0%	(20,613)

As of July 1, 2014, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$73,632. The annual payroll for active employees covered by the plan was \$10,241,945 for a ratio of UAAL to covered payroll of 0.7%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the benefit provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the entry age normal level percentage of salary actuarial cost method was used. The actuarial assumptions included a 4.00% interest discount rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The UAAL is being amortized on a 2 year open level dollar basis. The remaining amortization period at June 30, 2016 was zero.

D. Compensated Absences

The District's policy on allowing accumulated employee leave to vest varies between types of benefits. Associate staff earn varying amounts of vacation for each year employed. Vacation days must be used in the year earned unless approval is obtained from the District administrator to carry over vacation days to the next year.

The District's policy on allowing sick leave benefits to vest is based upon employee and union contracts. Teachers who meet certain age and length of service requirement and have accumulated at least 100 days of unused sick days will have their unused sick days vested at the current substitute pay rate. This amount will be contributed by the District toward the cost of health benefits for the retired teacher.

The District also provides associate staff retirees who meet certain age and length of service requirement, a cash payout of their unused sick leave at a rate of \$90 per day. The District's estimated liability for vacation and sick leave benefits at June 30, 2016 was \$58,983 and \$727,873, respectively, and is financed through the District's annual operating budget on a pay-as-you-go basis. It was recorded as a long-term obligation in the government-wide financial statements.

E. Employee Benefit Fund

The District has established an employee benefit trust fund to account for resources placed into a trust to assist in funding the District's early retirement benefit obligations (see Note 4.A). The District contributed \$293,939 during 2015-16. The annual required contribution was \$152,447 as estimated under a process that utilizes an actuarial cost method and actuarial assumptions to project future benefit payments. The employee benefit trust fund had net position of \$652,134 at June 30, 2016.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes. The annual revenue increase from these sources is based on pupil count and is limited to the amount approved by legislative action unless a higher amount has been approved by a referendum. The State also placed a limit on the decrease in the annual revenue cap due to declining enrollments. The State further allows an exemption equal to 75% of the prior year unused allowable revenue. This limitation does not apply to revenues needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

- A resolution of the school board or by a referendum prior to August 12, 1993.
- A referendum on or after August 12, 1993.

G. 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 maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There have been no reductions in coverage during the past year and settled claims have not exceeded this commercial coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 7,148,808	\$ 7,148,808	\$ 7,148,808	\$ -
Other Local Sources	230,700	230,700	205,262	(25,438)
Interdistrict Sources	305,800	305,800	532,964	227,164
Intermediate Sources	8,465	8,465	7,871	(594)
State Sources	10,008,316	10,008,316	10,006,919	(1,397)
Federal Sources	726,362	726,362	722,234	(4,128)
Other Sources	172,693	172,693	179,889	7,196
Total Revenues	<u>18,601,144</u>	<u>18,601,144</u>	<u>18,803,947</u>	<u>202,803</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,856,975	3,856,975	3,981,781	(124,806)
Regular Curriculum	3,747,904	3,747,904	3,531,770	216,134
Vocational Curriculum	598,345	598,345	596,028	2,317
Physical Curriculum	376,624	376,624	371,712	4,912
Special Education Curriculum	1,791,941	1,791,941	1,700,802	91,139
Co-Curricular Activities	337,465	337,465	397,494	(60,029)
Other Special Needs	105,044	105,044	43,862	61,182
Total Instruction	<u>10,814,298</u>	<u>10,814,298</u>	<u>10,623,449</u>	<u>190,849</u>
Support Services:				
Pupil Services	742,929	742,929	762,966	(20,037)
Instructional Staff Services	758,677	758,677	689,651	69,026
General Administration	643,575	643,575	753,026	(109,451)
School Building Administration	818,802	818,802	797,170	21,632
Business Administration	3,105,525	3,105,525	3,059,821	45,704
Central Services	389,479	389,479	382,609	6,870
Insurance and Judgments	154,857	154,857	173,154	(18,297)
Debt Services	76,128	76,128	76,310	(182)
Other Support Services	150,413	160,413	467,210	(306,797)
Total Support Services	<u>6,840,385</u>	<u>6,850,385</u>	<u>7,161,917</u>	<u>(311,532)</u>
Non-Program:				
Purchased Instructional Services	1,085,091	1,085,091	992,846	92,245
Other Non-Program	-	-	10,170	(10,170)
Total Non-Program	<u>1,085,091</u>	<u>1,085,091</u>	<u>1,003,016</u>	<u>82,075</u>
Total Expenditures	<u>18,739,774</u>	<u>18,749,774</u>	<u>18,788,382</u>	<u>(38,608)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(138,630)	(148,630)	15,565	164,195
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	148,630	148,630	137,259	(11,371)
NET CHANGE IN FUND BALANCE	10,000	-	152,824	152,824
Fund Balance, Beginning of Year	<u>3,012,340</u>	<u>3,012,340</u>	<u>3,012,340</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,022,340</u>	<u>\$ 3,012,340</u>	<u>\$ 3,165,164</u>	<u>\$ 152,824</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FUNDING PROGRESS AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Pension:						
7/1/07	\$ -	\$ 480,274	\$ 480,274	0%	\$ 10,211,944	4.7%
7/1/10	-	511,966	511,966	0%	8,195,363	6.2%
7/1/12	-	427,834	427,834	0%	8,051,764	5.3%
7/1/14	-	73,632	73,632	0%	10,241,945	0.7%
Other Postemployment Benefits:						
7/1/07	\$ 794,566	\$ 6,051,293	\$ 5,256,727	13%	\$ 10,211,944	51.5%
7/1/10	233,185	5,959,634	5,726,449	4%	8,195,363	69.9%
7/1/12	367,273	5,461,852	5,094,579	7%	8,051,764	63.3%
7/1/14	472,639	1,915,344	1,442,705	25%	10,241,945	14.1%

Employer Contributions

Year End	Annual Required Contributions	Total Contributions	Percentage Contributed
Pension:			
6/30/09	\$ 52,831	\$ 53,825	101.9%
6/30/10	50,675	21,530	42.5%
6/30/11	61,544	107,650	174.9%
6/30/12	62,604	21,530	34.4%
6/30/13	46,773	43,060	92.1%
6/30/14	46,773	43,060	92.1%
6/30/15	40,476	32,012	79.1%
6/30/16	40,476	73,044	180.5%
Other Postemployment Benefits:			
6/30/09	\$ 717,283	\$ 435,064	60.7%
6/30/10	728,198	585,224	80.4%
6/30/11	662,985	441,259	66.6%
6/30/12	674,489	523,481	77.6%
6/30/13	578,757	395,470	68.3%
6/30/14	578,757	321,695	55.6%
6/30/15	152,447	273,352	179.3%
6/30/16	152,447	293,939	192.8%

**SCHOOL DISTRICT OF AMERY
 AMERY, WISCONSIN
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
 WISCONSIN RETIREMENT SYSTEM NET PENSION PLAN LIABILITY (ASSET)
 LAST TEN FISCAL YEARS
 (Schedule is Presented Prospectively from Implementation)**

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability (asset)	0.07564503%	0.07381274%
District's proportionate share of the net pension liability (asset)	\$ (1,858,049)	\$ 1,199,443
District's covered-employee payroll	10,375,540	10,210,179
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-17.91%	11.75%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	92.20%

*The amounts presented for each fiscal year were determined as of a measurement date of 12/31 that occurred within the fiscal year.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS TO
WISCONSIN RETIREMENT SYSTEM PENSION PLAN
LAST TEN FISCAL YEARS
(Schedule is Presented Prospectively from Implementation)**

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 709,889	\$ 686,989
Contributions in Relation to the Contractually Required Contributions	(709,889)	(686,989)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 10,290,643	\$ 10,258,158
Contributions as a Percentage of Covered Employee Payroll	6.90%	6.70%

Changes of Benefit Terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of Assumptions. There were no changes in the assumptions.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

BUDGETARY INFORMATION

GASB 34 requires the presentation of budgetary comparison schedules for the general fund and for each major special revenue fund. Budgetary information for the general fund is derived from the District's annual operating budget.

Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The District's legally adopted budget and budgetary expenditure control is exercised at the function level in the general fund and at the fund level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.
- Once the school board (following the public hearing) adopts the budget, no changes may be made in the amount of the tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire school board.
- Appropriations lapse at year-end unless authorized as a carryover by the school board

Budget amounts in the financial statements include both the original adopted budget and the final budget.

OTHER POSTEMPLOYMENT BEFEFITS

During 2015, the District was required to obtain an update to the actuarial study which is used to determine the net OPEB obligation as of June 30, 2015. As a result of changes made to the post-employment benefits offered by the District the unfunded actuarial accrued liability decreased during the current year. This decrease was due to a phase out of the stipend previously offered over the course of the next three years. Also, at the time of retirement, retirees are no longer eligible to remain on the district health plan as a result of a change in the District health insurance provider. In response to this change the District implemented a defined contribution to an HRA for retirees to be used to fund health insurance costs.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2016**

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General	Fund 27 Special	Elimination	Totals	Fund 10 General	Fund 27 Special	Elimination	Totals	Fund 10 General	Fund 27 Special	Elimination	Totals
	Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments	
REVENUES												
Local Sources:												
Property Taxes	\$ 7,148,808	\$ -	\$ -	\$ 7,148,808	\$ 7,148,808	\$ -	\$ -	\$ 7,148,808	\$ 7,148,808	\$ -	\$ -	\$ 7,148,808
Other Local Sources	230,700	-	-	230,700	230,700	-	-	230,700	205,262	-	-	205,262
Interdistrict Sources	305,800	-	-	305,800	305,800	-	-	305,800	530,389	2,575	-	532,964
Intermediate Sources	6,917	1,548	-	8,465	6,917	1,548	-	8,465	6,441	1,430	-	7,871
State Sources	9,478,316	530,000	-	10,008,316	9,478,316	530,000	-	10,008,316	9,491,586	515,333	-	10,006,919
Federal Sources	363,993	362,369	-	726,362	363,993	362,369	-	726,362	365,615	356,619	-	722,234
Other Sources	172,693	-	-	172,693	172,693	-	-	172,693	179,889	-	-	179,889
Total Revenues	17,707,227	893,917	-	18,601,144	17,707,227	893,917	-	18,601,144	17,927,990	875,957	-	18,803,947
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	3,856,975	-	-	3,856,975	3,856,975	-	-	3,856,975	3,981,781	-	-	3,981,781
Regular Curriculum	3,747,904	-	-	3,747,904	3,747,904	-	-	3,747,904	3,531,770	-	-	3,531,770
Vocational Curriculum	598,345	-	-	598,345	598,345	-	-	598,345	596,028	-	-	596,028
Physical Curriculum	376,624	-	-	376,624	376,624	-	-	376,624	371,712	-	-	371,712
Special Education Curriculum	-	1,791,941	-	1,791,941	-	1,791,941	-	1,791,941	-	1,700,802	-	1,700,802
Co-Curricular Activities	337,465	-	-	337,465	337,465	-	-	337,465	397,494	-	-	397,494
Other Special Needs	103,544	1,500	-	105,044	103,544	1,500	-	105,044	43,862	-	-	43,862
Total Instruction	9,020,857	1,793,441	-	10,814,298	9,020,857	1,793,441	-	10,814,298	8,922,647	1,700,802	-	10,623,449
Support Services:												
Pupil Services	479,951	262,978	-	742,929	479,951	262,978	-	742,929	490,417	272,549	-	762,966
Instructional Staff Services	519,614	239,063	-	758,677	519,614	239,063	-	758,677	481,680	207,971	-	689,651
General Administration	643,575	-	-	643,575	643,575	-	-	643,575	753,026	-	-	753,026
School Building Administration	818,802	-	-	818,802	818,802	-	-	818,802	797,170	-	-	797,170
Business Administration	3,036,678	68,847	-	3,105,525	3,036,678	68,847	-	3,105,525	3,002,389	57,432	-	3,059,821
Central Services	389,479	-	-	389,479	389,479	-	-	389,479	382,609	-	-	382,609
Insurance and Judgments	154,357	500	-	154,857	154,357	500	-	154,857	173,154	-	-	173,154
Debt Services	76,128	-	-	76,128	76,128	-	-	76,128	76,310	-	-	76,310
Other Support Services	150,413	-	-	150,413	160,413	-	-	160,413	467,210	-	-	467,210
Total Support Services	6,268,997	571,388	-	6,840,385	6,278,997	571,388	-	6,850,385	6,623,965	537,952	-	7,161,917
Non-Program:												
Purchased Instructional Services	1,036,055	49,036	-	1,085,091	1,036,055	49,036	-	1,085,091	937,735	55,111	-	992,846
Other Non-Program	-	-	-	-	-	-	-	-	10,170	-	-	10,170
Total Non-Program	1,036,055	49,036	-	1,085,091	1,036,055	49,036	-	1,085,091	947,905	55,111	-	1,003,016
Total Expenditures	16,325,909	2,413,865	-	18,739,774	16,335,909	2,413,865	-	18,749,774	16,494,517	2,293,865	-	18,788,382
EXCESS OF REVENUES OVER EXPENDITURES	1,381,318	(1,519,948)	-	(138,630)	1,371,318	(1,519,948)	-	(148,630)	1,433,473	(1,417,908)	-	15,565
OTHER FINANCING SOURCES (USES)												
Capital Lease Proceeds	148,630	-	-	148,630	148,630	-	-	148,630	137,259	-	-	137,259
Transfers In	-	1,519,948	(1,519,948)	-	-	1,519,948	(1,519,948)	-	-	1,417,908	(1,417,908)	-
Transfers Out	(1,529,948)	-	1,529,948	-	(1,519,948)	-	1,519,948	-	(1,417,908)	-	1,417,908	-
Total Other Financing Sources (Uses)	(1,381,318)	1,519,948	10,000	148,630	(1,371,318)	1,519,948	-	148,630	(1,280,649)	1,417,908	-	137,259
NET CHANGE IN FUND BALANCE	-	-	10,000	10,000	-	-	-	-	152,824	-	-	152,824
Fund Balance, Beginning of Year	3,012,340	-	-	3,012,340	3,012,340	-	-	3,012,340	3,012,340	-	-	3,012,340
FUND BALANCE, END OF YEAR	\$ 3,012,340	\$ -	\$ 10,000	\$ 3,022,340	\$ 3,012,340	\$ -	\$ -	\$ 3,012,340	\$ 3,165,164	\$ -	\$ -	\$ 3,165,164

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 7,148,808	\$ 7,148,808	\$ 7,148,808	\$ -
Other Local Sources	230,700	230,700	205,262	(25,438)
Interdistrict Sources	305,800	305,800	530,389	224,589
Intermediate Sources	6,917	6,917	6,441	(476)
State Sources	9,478,316	9,478,316	9,491,586	13,270
Federal Sources	363,993	363,993	365,615	1,622
Other Sources	172,693	172,693	179,889	7,196
Total Revenues	<u>17,707,227</u>	<u>17,707,227</u>	<u>17,927,990</u>	<u>220,763</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,856,975	3,856,975	3,981,781	(124,806)
Regular Curriculum	3,747,904	3,747,904	3,531,770	216,134
Vocational Curriculum	598,345	598,345	596,028	2,317
Physical Curriculum	376,624	376,624	371,712	4,912
Co-Curricular Activities	337,465	337,465	397,494	(60,029)
Other Special Needs	103,544	103,544	43,862	59,682
Total Instruction	<u>9,020,857</u>	<u>9,020,857</u>	<u>8,922,647</u>	<u>98,210</u>
Support Services:				
Pupil Services	479,951	479,951	490,417	(10,466)
Instructional Staff Services	519,614	519,614	481,680	37,934
General Administration	643,575	643,575	753,026	(109,451)
School Building Administration	818,802	818,802	797,170	21,632
Business Administration	3,036,678	3,036,678	3,002,389	34,289
Central Services	389,479	389,479	382,609	6,870
Insurance and Judgments	154,357	154,357	173,154	(18,797)
Debt Services	76,128	76,128	76,310	(182)
Other Support Services	150,413	160,413	467,210	(306,797)
Total Support Services	<u>6,268,997</u>	<u>6,278,997</u>	<u>6,623,965</u>	<u>(344,968)</u>
Non-Program:				
Purchased Instructional Services	1,036,055	1,036,055	937,735	98,320
Other Non-Program	-	-	10,170	(10,170)
Total Non-Program	<u>1,036,055</u>	<u>1,036,055</u>	<u>947,905</u>	<u>88,150</u>
Total Expenditures	<u>16,325,909</u>	<u>16,335,909</u>	<u>16,494,517</u>	<u>(158,608)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,381,318	1,371,318	1,433,473	62,155
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	148,630	148,630	137,259	(11,371)
Transfers Out	(1,529,948)	(1,519,948)	(1,417,908)	102,040
Total Other Financing Sources (Uses)	<u>(1,381,318)</u>	<u>(1,371,318)</u>	<u>(1,280,649)</u>	<u>90,669</u>
NET CHANGE IN FUND BALANCE	-	-	152,824	152,824
Fund Balance, Beginning of Year	<u>3,012,340</u>	<u>3,012,340</u>	<u>3,012,340</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,012,340</u>	<u>\$ 3,012,340</u>	<u>\$ 3,165,164</u>	<u>\$ 152,824</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Interdistrict Sources	\$ -	\$ -	\$ 2,575	\$ 2,575
Intermediate Sources	1,548	1,548	1,430	(118)
State Sources	530,000	530,000	515,333	(14,667)
Federal Sources	362,369	362,369	356,619	(5,750)
Total Revenues	<u>893,917</u>	<u>893,917</u>	<u>875,957</u>	<u>(17,960)</u>
EXPENDITURES				
Instruction:				
Special Education Curriculum	1,791,941	1,791,941	1,700,802	91,139
Other Special Needs	1,500	1,500	-	1,500
Total Instruction	<u>1,793,441</u>	<u>1,793,441</u>	<u>1,700,802</u>	<u>92,639</u>
Support Services:				
Pupil Services	262,978	262,978	272,549	(9,571)
Instructional Staff Services	239,063	239,063	207,971	31,092
Business Administration	68,847	68,847	57,432	11,415
Insurance and Judgments	500	500	-	500
Total Support Services	<u>571,388</u>	<u>571,388</u>	<u>537,952</u>	<u>33,436</u>
Non-Program:				
Purchased Instructional Services	<u>49,036</u>	<u>49,036</u>	<u>55,111</u>	<u>(6,075)</u>
Total Expenditures	<u>2,413,865</u>	<u>2,413,865</u>	<u>2,293,865</u>	<u>120,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,519,948)	(1,519,948)	(1,417,908)	102,040
OTHER FINANCING SOURCES				
Transfers In	<u>1,519,948</u>	<u>1,519,948</u>	<u>1,417,908</u>	<u>(102,040)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016**

	Special Revenue Funds					Student Activity Events	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services		Day Care		
			Adult Education	Theatre			
ASSETS							
Cash and Investments	\$ 66,225	\$ 153,679	\$ -	\$ 6,832	\$ -	\$ -	\$ 226,736
Accounts Receivable	-	125	-	-	16,478	-	16,603
Due from Other Governments	-	28,809	-	-	-	-	28,809
Due from Fiduciary Funds	-	-	1,056	-	-	-	1,056
Total Assets	\$ 66,225	\$ 182,613	\$ 1,056	\$ 6,832	\$ 16,478	\$ -	\$ 273,204
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 200	\$ 1,180	\$ 109	\$ -	\$ 636	\$ -	\$ 2,125
Due to Other Governmental Funds	-	-	4,912	-	38,704	-	43,616
Unearned Revenues	-	16,485	-	-	-	-	16,485
Total Liabilities	200	17,665	5,021	-	39,340	-	62,226
Fund Balances:							
Restricted	66,025	164,948	-	6,832	-	-	237,805
Unassigned	-	-	(3,965)	-	(22,862)	-	(26,827)
Total Fund Balances	66,025	164,948	(3,965)	6,832	(22,862)	-	210,978
Total Liabilities and Fund Balances	\$ 66,225	\$ 182,613	\$ 1,056	\$ 6,832	\$ 16,478	\$ -	\$ 273,204

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds					Student Activity Events	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services		Day Care		
			Adult Education	Theatre			
REVENUES							
Local Sources:							
Property Taxes	\$ -	\$ -	\$ 92,000	\$ -	\$ 12,000	\$ -	\$ 104,000
Other Local Sources	44,845	435,362	72,538	2,000	365,656	-	920,401
State Sources	-	19,609	-	-	-	-	19,609
Federal Sources	-	529,139	-	-	-	-	529,139
Other Sources	33,590	-	-	-	-	-	33,590
Total Revenues	<u>78,435</u>	<u>984,110</u>	<u>164,538</u>	<u>2,000</u>	<u>377,656</u>	<u>-</u>	<u>1,606,739</u>
EXPENDITURES							
Instruction:							
Regular Instruction	42,232	-	-	-	-	-	42,232
Special Instruction	45	-	-	-	-	-	45
Other Instruction	3,116	-	-	-	-	-	3,116
Support Services:							
Pupil Services	1,838	-	-	-	-	-	1,838
General Administration	-	-	83,799	-	-	-	83,799
School Building Administration	1,415	-	-	-	-	-	1,415
Food Service	-	902,787	-	-	-	-	902,787
Other Support Services	57,601	-	-	-	-	-	57,601
Community Services	-	-	85,581	2,026	458,166	-	545,773
Total Expenditures	<u>106,247</u>	<u>902,787</u>	<u>169,380</u>	<u>2,026</u>	<u>458,166</u>	<u>-</u>	<u>1,638,606</u>
NET CHANGE IN FUND BALANCES	(27,812)	81,323	(4,842)	(26)	(80,510)	-	(31,867)
Fund Balances, Beginning of Year	<u>93,837</u>	<u>83,625</u>	<u>877</u>	<u>6,858</u>	<u>57,648</u>	<u>-</u>	<u>242,845</u>
FUND BALANCES, END OF YEAR	<u>\$ 66,025</u>	<u>\$ 164,948</u>	<u>\$ (3,965)</u>	<u>\$ 6,832</u>	<u>\$ (22,862)</u>	<u>\$ -</u>	<u>\$ 210,978</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET
JUNE 30, 2016**

	Referendum Debt Service	Non-Referendum Debt Service	Total
ASSETS			
Cash and Investments	\$ 1,957,103	\$ 96,533	\$ 2,053,636
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to General Fund	2,700	\$ -	\$ 2,700
Fund Balances:			
Restricted	1,954,403	96,533	2,050,936
Total Liabilities and Fund Balances	\$ 1,957,103	\$ 96,533	\$ 2,053,636

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2016**

	Referendum Debt Service	Non-Referendum Debt Service	Total
REVENUES			
Local Sources:			
Property Taxes	\$ 1,992,787	\$ 109,123	\$ 2,101,910
Other Local Sources	591	-	591
Total Revenues	<u>1,993,378</u>	<u>109,123</u>	<u>2,102,501</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	1,685,000	80,000	1,765,000
Interest and Fiscal Fees	248,336	30,003	278,339
Debt Issuance Costs	90,266	-	90,266
Total Expenditures	<u>2,023,602</u>	<u>110,003</u>	<u>2,133,605</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,224)	(880)	(31,104)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	5,920,000	-	5,920,000
Premium on Debt Issued	190,266	-	190,266
Principal Payments on Refinanced Debt	(6,020,000)	-	(6,020,000)
Total Other Financing Sources (Uses)	<u>90,266</u>	<u>-</u>	<u>90,266</u>
NET CHANGE IN FUND BALANCES	60,042	(880)	59,162
Fund Balances, Beginning of Year	<u>1,894,361</u>	<u>97,413</u>	<u>1,991,774</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,954,403</u>	<u>\$ 96,533</u>	<u>\$ 2,050,936</u>

**SCHOOL DISTRICT OF AMERY
 AMERY, WISCONSIN
 STUDENT ACTIVITY FUNDS
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
 CHANGE IN BALANCES
 YEAR ENDED JUNE 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
ASSETS				
Cash and Investments	<u>\$ 131,833</u>	<u>\$ 431,364</u>	<u>\$ 429,844</u>	<u>\$ 133,353</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 213,011	\$ 213,261	\$ (250)
Due to Student Organizations:	<u>131,833</u>	<u>218,353</u>	<u>216,583</u>	<u>133,603</u>
Total Liabilities	<u>\$ 131,833</u>	<u>\$ 431,364</u>	<u>\$ 429,844</u>	<u>\$ 133,353</u>

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Accrued Receivable (Deferred Revenue) July 1, 2015	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2016
<u>U.S. Department of Agriculture</u>							
Child Nutrition Cluster:							
School Breakfast Program:	10.553	WI DPI	A546-00000-480119	\$ -	\$ 129,653	\$ 128,405	\$ 1,248
National School Lunch Program							
National School Lunch Program:	10.555	WI DPI	A547-00000-480119	-	304,808	301,670	3,138
NSL Snack Program	10.555	WI DPI	A561-00000-480119	-	379	379	-
Commodity Handling	10.500	WI DPI	A001-00000-480119	-	55,671	55,671	-
Total National School Lunch Program				-	360,858	357,720	3,138
Summer Food Service Program:	10.559	WI DPI	Not Available	16,145	38,492	30,214	24,423
Total Child Nutrition Cluster				16,145	529,003	516,339	28,809
NSLP Equipment Assist Pro	10.579	WI DPI	A531-00000-480119	-	10,167	10,167	-
Total Department of Agriculture				16,145	539,170	526,506	28,809
<u>U.S. Department of Education</u>							
Title I:	84.010						
Title I, Part A		WI DPI	A141-00000-480119	1,638	159,647	99,783	61,502
Total Title I Program				1,638	159,647	99,783	61,502
Special Education Cluster:							
Special Education Grants to States:							
IDEA Flow Through: CEIS Entitlement	84.027	CESA 11	A341-00000-480119	14,175	49,855	44,695	19,335
IDEA Flow Through		WI DPI	Not Available	121,521	311,446	216,562	216,405
Total Special Education Grants to States				135,696	361,301	261,257	235,740
Special Education - Preschool Grants	84.173						
IDEA Preschool Entitlement:		WI DPI	A347-00000-480119	-	11,983	11,983	-
Total Special Education Cluster				135,696	373,284	273,240	235,740
ESEA Title II-A Teacher and Principal Training and Recruiting Fund:	84.367	CESA 11	A365-00000-480119	32,025	67,735	85,761	13,999
Total Department of Education				169,359	600,666	458,784	311,241
<u>U.S. Department of Health and Human Services</u>							
Medical Assistance Program (Medicaid Cluster):	93.778						
Medical Assistance Program (School Based Services)		Direct	Not Available	1,409	121,569	103,349	19,629
Total Federal Program Awards				\$ 186,913	\$ 1,261,405	\$ 1,088,639	\$ 359,679

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Receivable (Deferred Revenue) July 1, 2015	Expenditures	State Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2016
<u>Wisconsin Department of Public Instruction</u>						
Cost Reimbursement Programs - Nonmajor:						
Direct Grant:						
Youth Alcohol and Other Drug Abuse	255.306	LEA-143	\$ -	\$ 14,834	\$ 5,106	\$ 9,729
Educator Effectiveness Grant	255.940	LEA-154	-	10,560	-	10,560
Career and Technical Education Incentive Grant	255.950	LEA-151	-	22,877	22,877	-
Total Cost Reimbursement Programs			<u>\$ -</u>	<u>\$ 48,272</u>	<u>27,983</u>	<u>\$ 20,289</u>
<u>Wisconsin Department of Public Instruction</u>						
Entitlement Programs:						
Major State Programs:						
Handicapped Pupils and School Age Parents:	255.101	LEA-100	[1]		515,333	
Participant in Package Program at CESA No. 11					1,430	
Total Handicapped Program					<u>516,763</u>	
General Equalization	255.201	LEA-116			8,668,284	[2]
Total Major Programs					<u>9,185,047</u>	
Nonmajor State Programs:						
State Lunch	255.102	LEA-107			8,326	
Library Aid	255.103	LEA-104			62,957	
Pupil Transportation	255.107	LEA-102			70,842	
WI Morning Milk Program	255.109	LEA-109			3,890	
School Breakfast Program	255.344	LEA-108			7,393	
Student Achievement Guarantee in Education	255.504	LEA-160			401,760	
Total Nonmajor Programs					<u>555,167</u>	
Total State Financial Assistance					<u>\$ 9,768,198</u>	

[1] District's 2015-16 Aidable Costs Reported to DPI Totaled \$1,928,257.

[2] Includes \$152,156.00 Receivable at 6/30/16.

See Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2016**

NOTE 1 GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance present the expenditures of all federal financial assistance programs and state financial assistance of the District subject to inclusion under the federal and state single audit requirements. The reporting entity is defined in Note 1 to the financial statements.

The District has elected to not use the 10% de minimis indirect cost rate.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

NOTE 3 FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed for the USDA Commodities Program (CFDA #10.555).

NOTE 4 MEDICAL ASSISTANCE

Expenditures presented for the Medicaid School Based Services (SBS) Benefit represent only the federal funds for the program that the District receives from the Department of Health Services (DHS). District records should be consulted to determine the total amount expended for this program.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
JUNE 30, 2016**

FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None

FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS:

None

**INDEPENDENT AUDITORS' 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***

Board of Education
School District of Amery
Amery, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of School District of Amery, Wisconsin (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 10, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider items 2016-001 and 2016-002 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

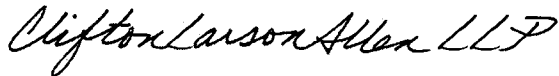
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

School District of Amery's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
January 10, 2017



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE AS REQUIRED BY UNIFORM GUIDANCE AND
STATE SINGLE AUDIT GUIDELINES**

Board of Education
School District of Amery
Amery, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited School District of Amery, Wisconsin's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. We have also audited the District's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The District's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance, and state guidelines 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 or state 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Uniform Guidance* and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of the *Uniform Guidance* and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
January 10, 2017

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified X yes none reported
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to financial statements noted? yes X none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X none reported
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes X none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes X none reported

Identification of major Federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.550, 10.553, 10.555 and 10.559	Child Nutrition Program
84.173 and 84.027	Special Education Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

PART I: SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

State Awards

Internal control over major programs:

- Material weakness(es) identified? yes none reported
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes none reported

Type of auditors' report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*? yes none reported

Identification of major State programs:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.101	Handicapped Pupils and School Age Parents
255.201	General Equalization Aids

Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? yes no

OTHER ISSUES

1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Public Instruction	No
Department of Health Services	No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? No



4. Name and signature of Principal Brock Geyen, CPA
5. Date of Report January 10, 2017

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2016-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

Criteria: The District must be able to prevent or detect a material misstatement in the annual financial statements, including footnote disclosures.

Condition: The District does not have an internal control policy in place over annual financial reporting that would enable management to conclude its annual financial statements and related footnote disclosures are complete and presented in accordance with Generally Accepted Accounting Principles (GAAP).

Context: The District has informed us that they do not have an internal control policy in place over the annual financial reporting and that they do not have the necessary staff and expertise to prevent or detect a material misstatement in the annual financial statements including footnote disclosures.

Cause: The District relies on the audit firm to prepare the annual financial statements and related footnote disclosures. However, they have reviewed and approved the annual financial statements and the related footnote disclosures.

Effect: The potential exists that a material misstatement of the annual financial statements could occur and not be prevented or detected by the District's internal controls.

Recommendation: The District should continue to evaluate their internal staff and expertise to determine if an internal control policy over the annual financial reporting is beneficial.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The District will continue to rely upon the audit firm to prepare the financial statements and related footnote disclosures and will review and approve these prior to the issuance of the annual financial statements.

Official Responsible for Ensuring CAP:

The District Administrator is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The Board of Education will be monitoring this corrective action plan.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS: (CONTINUED)

FINDING: 2016-002 Limited Segregation of Duties

- Criteria:** Generally, a system of internal control contemplates segregation of duties such that no individual has ability or responsibility to execute a transaction, have physical access to the related assets, and have limited number of authority to record the transaction.
- Condition:** The auditors noted during the audit that the available staff precludes a proper segregation of duties to assure adequate internal control.
- Context:** The limited size of the District's staff responsible for accounting and financial duties precludes a complete segregation of incompatible duties. The District has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.
- Cause:** The condition is due to limited staff available.
- Effect:** Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud, that would not be detected or prevented by District staff.
- Recommendation:** The District should continue to evaluate its staffing and assignment of duties in order to segregate incompatible duties whenever possible.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

The District continues to work to achieve segregation of duties whenever cost effective.

Official Responsible for Ensuring CAP:

The District Administrator is the official responsible for ensuring corrective action of the deficiency.

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

The Board of Education will be monitoring this corrective action plan.

Compensating Controls and Mitigating Factors:

The cash disbursements process includes approval of the disbursement by the business manager and approval of each voucher and coding by the accounting department. The payroll disbursements process includes board approval of all contracts and hourly wage rates, supervisor approval of timesheets, and review of coding by payroll personnel. In addition to the above, administration and the board monitor budget to actual reports on a regular basis in order to identify unusual variances or activities.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2016**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

PART IV: FINDINGS RELATED TO MAJOR STATE FINANCIAL ASSISTANCE PROGRAMS:

None.