

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2011

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
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Amery, Wisconsin
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Amery
Amery, Wisconsin

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, 2011, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of the District's Board of Education and management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery at June 30, 2011, 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.

As discussed in the notes to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended June 30, 2011. Adoption of the provisions of this statement results in significant changes to the classifications of the components of fund balances.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2011 on our consideration of School District of Amery's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, budgetary comparison information and schedule of funding progress, as referenced in the table of contents, are not required parts of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The combining and individual fund statements presented as other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, respectively, and are not a required part of the basic financial statements. The combining and individual fund statements, the schedule of expenditures of federal awards, and schedule of state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The prior year partial comparative supplementary information has been derived from the District's June 30, 2010 financial statements and, our opinion dated November 12, 2010, on the supplementary information stated such information had been subjected to the auditing procedures applied in the audit of the basic financial statements and was fairly stated in all material respects in relation to the June 30, 2010 basic financial statements taken as a whole.

Larson Allen LLP
LarsonAllen LLP

Eau Claire, Wisconsin
November 21, 2011

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011

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, 2011. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2010-11 fiscal year include the following:

- The assets of the District exceeded liabilities at the close of the fiscal year by \$10,571,833 (net assets). Of this amount, \$7,676,942 represents amounts invested in capital assets, net of related debt, \$2,033,003 is restricted for debt repayment and \$20,490 is restricted for the food service program. The remaining balance of \$841,398 is classified as unrestricted net assets.
- Net assets for the most recent fiscal year increased \$843,542 over the prior year.
- Net capital assets decreased by \$993,411 during the year, reflecting the cost of acquisitions less than depreciation expense and disposals.
- The District's general obligation long-term debt, including the current portion, decreased \$1,702,127 during the year. The District issued \$1,035,000 of general obligation debt during the year to refinance part of an existing debt issue. The District's other long-term obligations, including the current portions, increased \$13,307 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$3,558,404 of total revenues of \$23,404,975. General revenues accounted for \$19,846,571, including \$9,908,653 of property taxes and \$9,739,831 of general aid. General revenues accounted for 84.8% of all revenues.
- The District had a total of \$22,561,433 of expenses, of which \$3,558,404 were financed with program revenues.
- The total fund balance of the District's governmental funds increased \$211,133. The general fund had an increase of \$55,269, with an increase of \$148,825 in the debt service fund, and an increase of \$7,039 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; (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 and budgetary comparisons for the major governmental funds.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011

Government-Wide Financial Statements

The two government-wide financial statements are the *Statement of Net Assets* 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 Assets* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets 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, 2011.

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 six regular funds; general, education trust, food service, debt service, community services fund (adult education, theatre and day care funds) and student activity events fund. 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, the community services funds, and the student activity events fund 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, 2011

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 have 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 Assets. Table 1, below, provides a summary of the District's net assets for the fiscal year ended June 30, 2011, compared to the prior fiscal year.

	Governmental Activities	
	2011	2010
Current and Other Assets	\$ 8,533,003	\$ 8,199,392
Capital Assets	22,662,966	23,656,377
Total Assets	31,195,969	31,855,769
Current Liabilities	3,137,175	2,951,697
Long-Term Liabilities	17,486,961	19,175,781
Total Liabilities	20,624,136	22,127,478
Net Assets:		
Invested in Capital Assets, Net of Related Debt	7,676,942	6,923,305
Restricted	2,053,493	1,954,589
Unrestricted	841,398	850,397
Total Net Assets	\$ 10,571,833	\$ 9,728,291

A significant portion of the District's net assets (72.6%) 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, 2011

Restricted net assets account for 19.4% of total net assets. 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 assets include \$2,033,003 for this purpose.

Total liabilities decreased by \$1,503,342 during the year, including a net decrease of \$1,790,504 in outstanding general obligation debt.

The District's net assets increased \$843,542 during the year. In addition, the District's unrestricted net assets decreased \$8,999, increasing the balance of the unrestricted component to \$841,398.

Change in Net Assets. Table 2 shows the change in net assets for the fiscal years 2011 and 2010:

Table 2
Change in Net Assets

	Governmental Activities	
	2011	2010
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,225,786	\$ 1,258,763
Operating Grants and Contributions	2,332,618	2,703,123
Capital Grants and Contributions	-	42,962
General Revenues:		
Property Taxes	9,908,653	10,506,324
General Formula Aid	9,739,831	9,024,272
Other	198,087	250,095
Total Revenues	<u>23,404,975</u>	<u>23,785,539</u>
Expenses:		
Instruction	12,805,958	12,726,734
Pupil and Instructional Services	1,695,240	1,666,561
Administration and Business	1,777,438	1,648,821
Operation and Maintenance	1,911,008	2,101,444
Pupil Transportation	1,130,742	969,485
Food Service	955,102	955,857
Community Services	197,643	179,728
Interest on Debt and Fiscal Fees	692,194	787,446
Other	1,396,108	1,482,290
Total Expenses	<u>22,561,433</u>	<u>22,518,366</u>
Change in Net Assets	843,542	1,267,173
Net Assets Beginning of Year	<u>9,728,291</u>	<u>8,461,118</u>
Net Assets - End of Year	<u><u>\$ 10,571,833</u></u>	<u><u>\$ 9,728,291</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011

As shown in Table 2, general revenues provided 84.8% of the funding required for governmental activities for fiscal year 2011 with property taxes providing 42.3% of the funding and general formula aid providing 41.6%. Program revenues, consisting of charges for services, grants and contributions, provided 15.2% 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:

	2011	2010
Subject to Revenue Limit:		
General Fund	\$ 7,324,607	\$ 7,992,229
Debt Service (Non-Referendum)	113,723	113,410
Not Subject to Revenue Limit:		
Debt Service	2,365,911	2,296,034
Community Service	104,000	104,000
Property Tax Chargebacks	412	651
	\$ 9,908,653	\$ 10,506,324

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 \$715,559 (7.9%) in 2011, from \$9,024,272 in 2010 to \$9,739,831 in 2011.

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.

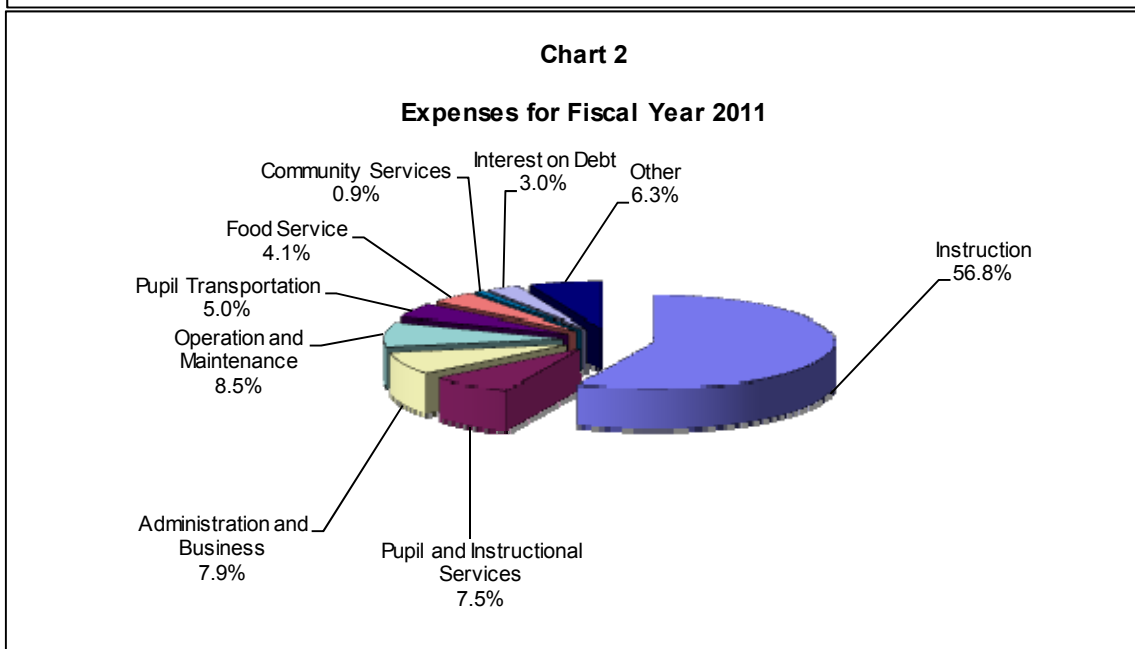
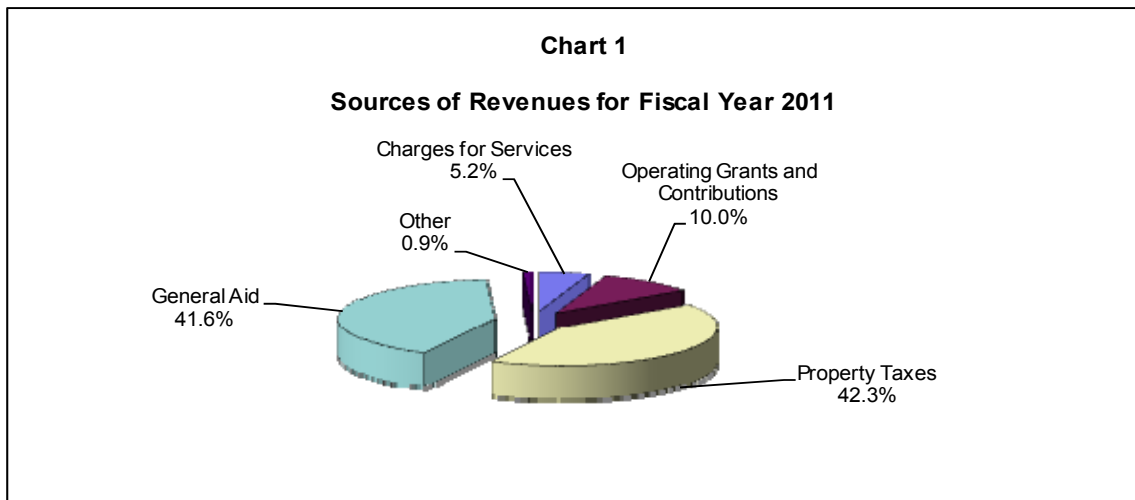
Table 3
Net Cost of Governmental Activities

<u>Expense Functions</u>	2011		2010	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 12,805,958	\$ 10,792,824	\$ 12,726,734	\$ 10,341,416
Pupil and Instructional Services	1,695,240	1,381,394	1,666,561	1,280,279
Administration and Business	1,777,438	1,774,732	1,648,821	1,645,569
Operations and Maintenance	1,911,008	1,908,791	2,101,444	2,094,876
Pupil Transportation	1,130,742	1,019,666	969,485	854,538
Food Service	955,102	28,018	955,857	17,158
Community Services	197,643	9,615	179,728	10,371
Interest on Debt and Fiscal Fees	692,194	692,194	787,446	787,446
Other	1,396,108	1,395,795	1,482,290	1,481,865
	\$ 22,561,433	\$ 19,003,029	\$ 22,518,366	\$ 18,513,518

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011

- The cost of all governmental activities for the year was \$22,561,433.
- Individuals who directly participated or benefited from a program offering paid for \$1,225,786 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,332,618.
- Net cost of governmental activities (\$19,003,029), were financed by general revenues, which are made up primarily of property taxes (\$9,908,653) and general aid (\$9,739,831).

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, 2011**

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2011 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2011</u>	<u>Balance June 30, 2010</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 2,767,825	\$ 2,712,556	\$ 55,269
Debt Service Fund	2,164,407	2,015,582	148,825
Nonmajor Funds:			
Education Trust	29,334	31,806	(2,472)
Food Service Fund	20,490	28,870	(8,380)
Community Services Funds:			
Adult Education	9,383	8,637	746
Theatre	4,959	5,151	(192)
Day Care	38,633	21,296	17,337
	<u>\$ 5,035,031</u>	<u>\$ 4,823,898</u>	<u>\$ 211,133</u>

The balance of the general fund at year end was unassigned by the District even though it was used to partially finance the outstanding taxes receivable at that date totaling \$4,263,189 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.

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 made changes to its original budget for fiscal year 2011 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 other financing sources being greater than budgeted.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2011, the District had invested over \$39.0 million in a broad range of capital assets, including land, land improvements, buildings and equipment (see Table 4). This amount represents a net decrease of \$315,397 from the previous year. Accumulated depreciation on these assets totaled \$16,473,390.

**Table 4
Capital Assets**

	June 30,		% Change
	2011	2010	
Land	\$ 380,300	\$ 380,300	0.0%
Land Improvements	2,055,570	2,066,768	-0.5
Buildings and Improvements	31,059,682	31,059,682	0.0
Furniture and Equipment	5,640,804	5,945,003	-5.1
Subtotal	39,136,356	39,451,753	-0.8
Accumulated Depreciation	16,473,390	15,795,376	4.3
Total	<u>\$ 22,662,966</u>	<u>\$ 23,656,377</u>	-4.2

- Asset acquisitions during the year totaled \$38,814.
- The District disposed of \$354,211 of capital assets during the year.
- The District recognized depreciation expense of \$1,083,681 during the year.

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

Long-Term Obligations

At year-end, the District had over \$15.9 million in general obligation bonds and other long-term general obligation debt outstanding. The District also had other long-term obligations outstanding of approximately \$1.5 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, 2011**

**Table 5
Outstanding Long-Term Obligations**

	June 30,		% Change
	2011	2010	
Long-Term Debt			
General Obligation Debt	\$ 15,965,000	\$ 17,667,127	-9.6%
Capital Leases	-	29,695	-100.0
Other Long-Term Obligations			
Bond Premiums	68,287	88,377	-22.7
Bond Discounts	(12,263)	-	-100.0
Pension Benefits	-	28,164	-100.0
Other Postemployment Benefits	639,529	423,652	51.0
Compensated Absences	826,408	938,766	-12.0
Total	<u>\$ 17,486,961</u>	<u>\$ 19,175,781</u>	-8.8

- The District retired \$2,737,127 of outstanding general obligation debt during the year.
- The District incurred additional general obligation debt in the amount of \$1,035,000 for the purpose of refinancing an existing debt issue.

(More detailed information about the District's long-term obligations is presented in Note 3.D 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 existing labor agreement for teachers expires on June 30, 2012.

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 Stephen V. Schiell, 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 ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 2,963,563
Taxes Receivable	4,263,189
Accounts Receivable	3,721
Due from Other Governments	393,412
Due from Fiduciary Funds	416,917
Deferred Charges	473,835
Pension Assets	18,366
Capital Assets:	
Capital Assets Not Being Depreciated	380,300
Capital Assets Being Depreciated	38,756,056
Accumulated Depreciation	<u>(16,473,390)</u>
Total Assets	<u>31,195,969</u>
LIABILITIES	
Short-Term Notes Payable	785,000
Accounts Payable	61,396
Accrued Interest Payable	131,463
Accrued Salaries and Wages	954,756
Payroll Taxes and Withholdings	1,182,978
Due to Other Governments	5,447
Unearned Revenue	16,135
Long-Term Liabilities:	
Amounts Due Within One Year	1,905,427
Amounts Due In More than One Year	<u>15,581,534</u>
Total Liabilities	<u>20,624,136</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	7,676,942
Restricted for:	
Debt Service	2,033,003
Food Service	20,490
Unrestricted	<u>841,398</u>
Total Net Assets	<u><u>\$ 10,571,833</u></u>

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 9,062,203	\$ 420,085	\$ 697,484	\$ (7,944,634)
Vocational Instruction	787,289	32,184	4,534	(750,571)
Special Instruction	2,058,309	32,835	733,009	(1,292,465)
Other Instruction	898,157	91,120	1,883	(805,154)
Total Instruction	12,805,958	576,224	1,436,910	(10,792,824)
Support Services:				
Pupil Services	778,437	-	85,475	(692,962)
Instructional Staff Services	916,803	-	228,371	(688,432)
General Administration Services	584,141	-	2,706	(581,435)
Building Administration Services	898,790	-	-	(898,790)
Business Services	294,507	-	-	(294,507)
Operation and Maintenance of Plant	1,911,008	2,217	-	(1,908,791)
Pupil Transportation Services	1,130,742	821	110,255	(1,019,666)
Food Service	955,102	458,496	468,588	(28,018)
Central Services	273,063	-	-	(273,063)
Insurance and Judgments	168,930	-	-	(168,930)
Interest and Fiscal Fees	692,194	-	-	(692,194)
Other Support Services	205,504	-	313	(205,191)
Community Services	197,643	188,028	-	(9,615)
Depreciation - Unallocated *	748,611	-	-	(748,611)
Total Support Services	9,755,475	649,562	895,708	(8,210,205)
Total Primary Government	\$ 22,561,433	\$ 1,225,786	\$ 2,332,618	(19,003,029)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				7,325,019
Property Taxes, Levied for Debt Purposes				2,479,634
Property Taxes, Levied for Community Service Purposes				104,000
Other Taxes				20,045
State and Federal Aids Not Restricted to Specific Functions:				
General				9,739,831
Other				26,590
Interest and Investment Earnings				4,005
Miscellaneous				147,447
Total General Revenues				19,846,571
Change in Net Assets				843,542
Net Assets - Beginning of Year				9,728,291
Net Assets - End of Year				\$ 10,571,833

* This amount excludes depreciation included in the direct expense of the various functions - see Note 3.B.

See accompanying Notes to Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 716,621	\$ 2,162,107	\$ 84,835	\$ 2,963,563
Taxes Receivable	4,263,189	-	-	4,263,189
Accounts Receivable	1,519	-	2,202	3,721
Due from Other Governments	317,771	-	75,641	393,412
Due from Other Governmental Funds	35,061	2,300	-	37,361
Due from Fiduciary Funds	415,462	-	1,455	416,917
	<u>415,462</u>	<u>-</u>	<u>1,455</u>	<u>416,917</u>
Total Assets	<u>\$ 5,749,623</u>	<u>\$ 2,164,407</u>	<u>\$ 164,133</u>	<u>\$ 8,078,163</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Short-Term Notes Payable	\$ 785,000	\$ -	\$ -	\$ 785,000
Accounts Payable	58,423	-	2,973	61,396
Accrued Interest Payable	59	-	-	59
Accrued Salaries and Wages	947,591	-	7,165	954,756
Payroll Taxes and Withholdings	1,182,978	-	-	1,182,978
Due to Other Governments	5,447	-	-	5,447
Due to Other Governmental Funds	2,300	-	35,061	37,361
Deferred Revenues	-	-	16,135	16,135
	<u>-</u>	<u>-</u>	<u>16,135</u>	<u>16,135</u>
Total Liabilities	<u>2,981,798</u>	<u>-</u>	<u>61,334</u>	<u>3,043,132</u>
Fund Balances:				
Restricted	-	2,164,407	20,490	2,184,897
Assigned	-	-	82,309	82,309
Unassigned	2,767,825	-	-	2,767,825
	<u>2,767,825</u>	<u>-</u>	<u>-</u>	<u>2,767,825</u>
Total Fund Balances	<u>2,767,825</u>	<u>2,164,407</u>	<u>102,799</u>	<u>5,035,031</u>
	<u>2,767,825</u>	<u>2,164,407</u>	<u>102,799</u>	<u>5,035,031</u>
Total Liabilities and Fund Balances	<u>\$ 5,749,623</u>	<u>\$ 2,164,407</u>	<u>\$ 164,133</u>	<u>\$ 8,078,163</u>

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2011

Total Fund Balances - Governmental Funds \$ 5,035,031

Amounts reported for governmental activities in the statement of net assets 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	\$ 39,136,356	
Accumulated Depreciation	<u>(16,473,390)</u>	22,662,966

Pension benefit payments in excess of the actuarially required contribution		18,366
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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	15,965,000	
Accrued Interest Payable on Long-Term Debt	131,404	
Vested Employee Benefits	<u>1,465,937</u>	(17,562,341)

The premium and discount on debt issued is deferred in the statement of net assets and amortized over the life of the related debt. In the governmental funds the premium is considered an other financing source when received		(56,024)
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Debt issuance and refinancing costs are deferred in the statement of net assets and amortized over the life of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred		<u>473,835</u>
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Net Assets of Governmental Activities **\$ 10,571,833**

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 7,325,019	\$ 2,479,634	\$ 104,000	\$ 9,908,653
Other Local Sources	172,192	2,682	695,467	870,341
Interdistrict Sources	368,826	-	-	368,826
Intermediate Sources	70,531	-	-	70,531
State Sources	10,877,879	-	23,620	10,901,499
Federal Sources	731,115	-	444,813	1,175,928
Other Sources	107,558	-	1,639	109,197
Total Revenues	<u>19,653,120</u>	<u>2,482,316</u>	<u>1,269,539</u>	<u>23,404,975</u>
EXPENDITURES				
Instruction:				
Regular Instruction	8,894,802	-	22,383	8,917,185
Vocational Instruction	777,389	-	-	777,389
Special Instruction	2,035,112	-	317	2,035,429
Other Instruction	863,222	-	25,855	889,077
Support Services:				
Pupil Services	771,755	-	-	771,755
Instructional Staff Services	911,635	-	-	911,635
General Administration	530,043	-	76,494	606,537
School Building Administration	887,625	-	-	887,625
Business Services	292,253	-	-	292,253
Operation and Maintenance of Plant	1,892,732	-	2,655	1,895,387
Pupil Transportation Services	1,019,036	-	-	1,019,036
Food Service	-	-	935,464	935,464
Central Services	259,771	-	1,689	261,460
Insurance and Judgments	168,930	-	-	168,930
Debt Service	57,037	2,346,755	-	2,403,792
Other Support Services	252,034	-	-	252,034
Community Services	-	-	197,643	197,643
Total Expenditures	<u>19,613,376</u>	<u>2,346,755</u>	<u>1,262,500</u>	<u>23,222,631</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39,744	135,561	7,039	182,344
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	27,945	1,007,055	-	1,035,000
Discount on Debt Issued	(12,420)	-	-	(12,420)
Principal Payments on Refinanced Debt	-	(993,791)	-	(993,791)
Net Other Financing Sources (Uses)	<u>15,525</u>	<u>13,264</u>	<u>-</u>	<u>28,789</u>
NET CHANGE IN FUND BALANCES	55,269	148,825	7,039	211,133
Fund Balances, Beginning of Year	<u>2,712,556</u>	<u>2,015,582</u>	<u>95,760</u>	<u>4,823,898</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,767,825</u>	<u>\$ 2,164,407</u>	<u>\$ 102,799</u>	<u>\$ 5,035,031</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, 2011

Net Change in Fund Balances - Total Governmental Funds \$ 211,133

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	\$ 38,814	
Depreciation Expense Reported in the Statement of Activities	<u>(1,083,681)</u>	(1,044,867)

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: 51,456

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 assets and does not affect the statement of activities. The amount of long-term debt incurred in the current year is:

(1,035,000)

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 assets and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:

2,766,822

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	604,846	
Interest Accrued During the Current Period	<u>(579,497)</u>	25,349

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

12,420

Debt issuance costs are amortized over the life of the related debt in the statement of activities. Debt issuance costs are considered expenditures/other financing uses in the governmental funds. In the current year these amounts consist of:

15,525

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 Issuance Costs	(122,240)	
Amortization of Debt Premium	20,090	
Amortization of Debt Discount	(157)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>(56,989)</u>	<u>(159,296)</u>

Change in Net Assets of Governmental Activities \$ 843,542

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011**

	<u>Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and Investments	<u>\$ 726,405</u>	<u>\$ 164,204</u>	<u>\$ 157,767</u>
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 841
Due to Governmental Funds	416,917	-	-
Due to Student Organizations	-	-	156,926
Total Liabilities	<u>416,917</u>	<u>-</u>	<u>\$ 157,767</u>
NET ASSETS			
Held in Trust:			
Restricted	<u>309,488</u>	<u>164,204</u>	
Total Liabilities and Net Assets	<u>\$ 726,405</u>	<u>\$ 164,204</u>	

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2011**

	<u>Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Local Sources:		
Interest	\$ 1,303	\$ 1,673
Other Sources	491,917	-
Total Additions	<u>493,220</u>	<u>18,103</u>
DEDUCTIONS		
Trust Fund Disbursements	<u>416,917</u>	<u>22,005</u>
CHANGE IN NET ASSETS	76,303	(3,902)
Net Assets, Beginning of Year	<u>233,185</u>	<u>168,106</u>
NET ASSETS, END OF YEAR	<u><u>\$ 309,488</u></u>	<u><u>\$ 164,204</u></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, 2011

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 assets 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, 2011

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 governmental 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 trust funds are 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.
- An employee benefit trust fund is used to account for resources held in trust for formally established employee benefit plans.
- An 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, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction 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. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 assets 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 District reports deferred revenues on its fund balance sheets. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

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, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets 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 considered 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, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets 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 2010 tax levy is used to finance operations of the District's fiscal year ended June 30, 2011. 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. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or market.

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, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets 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	\$500	N/A	N/A
Land Improvements	500	Straight-line	20 Years
Buildings	500	Straight-line	50 Years
Building Improvements	500	Straight-line	7-30 Years
Furniture and Equipment	500	Straight-line	5-20 Years
Vehicles	500	Straight-line	8 Years
Textbooks, Library and Media*	500	Straight-line	5-7 Years

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

5. Other Assets

In governmental funds, debt issuance costs are recognized as expenditures in the current period. For the government-wide financial statements, debt issuance costs are deferred and amortized over the term of the debt issue.

6. 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.

7. 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, in accordance with GASB 45.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Equity (Continued)

8. 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, in accordance with GASB 27.

9. 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.

10. Equity Classifications

Fund equity, representing the difference between assets and liabilities, is classified as follows in the District's financial statements:

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Assets or Equity (Continued)

10. Equity Classifications (Continued)

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 will never be converted to cash or will not be converted to cash soon enough to affect the current period. 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.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund financial statements and the government-wide financial statements, certain financial transactions are treated differently. Reconciliations of governmental fund balances and changes thereto to the net assets and revenues/expenses shown in the government-wide financial statements are presented on pages 15 and 17, respectively.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

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, 2011 were shown in the financial statements as follows:

Governmental Funds	\$ 2,963,563
Fiduciary Funds:	
Employee Benefit Trust Funds	726,405
Private Purpose Trust Funds	164,204
Agency Funds	157,767
	<u>\$ 4,011,939</u>

The above balances at June 30, 2011 consisted of the following:

Deposits at Financial Institutions	\$ 846,821
Bank Accounts Subject to Federal and State Depository Coverage	3,163,988
Investment with State Local Government Pooled-Investment Fund	881
Non-Depository Petty Cash Funds	250
	<u>\$ 4,011,939</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

The District's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and unlimited coverage on all non-interest bearing transaction accounts. In addition, funds held for others (such as trust funds) are subject to coverage under the name of the organization or party for whom the funds are held. 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 District 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, 2011, 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.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2011 consisted of deposits in the following external investment pool:

Investment in State Local Government Pooled-Investment Fund. The State of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on the day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the State of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for the twelve-month period ended June 30, 2011 was 67 days.

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 as previously discussed in Note 1.E.1.

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 farther into the future are more sensitive to changes in market interest rates. The short weighted average maturities of the investments in the above external investment pool mitigates this risk to the District.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2011 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	2,066,768	-	(11,198)	2,055,570
Buildings and Improvements	31,059,682	-	-	31,059,682
Furniture and Equipment	5,945,003	38,814	(343,013)	5,640,804
Total Capital Assets, Being Depreciated	39,071,453	38,814	(354,211)	38,756,056
Accumulated Depreciation for				
Land Improvements	1,350,141	53,541	(19,853)	1,383,829
Buildings and Improvements	10,219,314	733,418	-	10,952,732
Furniture and Equipment	4,225,921	296,722	(385,814)	4,136,829
Total Accumulated Depreciation	15,795,376	1,083,681	(405,667)	16,473,390
Total Capital Assets, Being Depreciated, Net	23,276,077	(1,044,867)	51,456	22,282,666
Governmental Activities Capital Assets, Net	<u>\$ 23,276,077</u>	<u>\$ (1,044,867)</u>	<u>\$ 51,456</u>	<u>\$ 22,662,966</u>

Depreciation was charged to governmental functions as follows:

Instruction:

Regular Instruction	\$ 98,616
Vocational Instruction	8,313
Special Instruction	10,648
Other Instruction	4,085

Support Services:

Pupil Services	1,972
Instructional Staff Services	155
General Administrative Services	8,810
Building Administrative Services	6,121
Business Services	554
Operation and Maintenance of Plant	9,227
Pupil Transportation Services	117,274
Food Service	20,617
Central Services	11,360

Unallocated Depreciation

Total Depreciation for Governmental Activities	<u>\$ 1,083,681</u>
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**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2011 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Food Service Fund	\$ 35,061	Cash Flow
General Fund	Employee Benefit Trust Fund	415,462	Trust Fund Contribution
Food Service	Employee Benefit Trust Fund	728	Trust Fund Contribution
Community Service	Employee Benefit Trust Fund	727	Trust Fund Contribution
Debt Service Fund	General Fund	2,300	Reimbursement for Agent Fees
		<u>\$ 454,278</u>	

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2011 were as follows:

	<u>Balances July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2011</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 14,960,000	\$ 1,035,000	\$ 1,275,000	\$ 14,720,000	\$ 610,000
General Obligation Notes	2,707,127	-	1,462,127	1,245,000	1,245,000
Bond Premiums	88,377	-	20,090	68,287	-
Bond Discounts	-	(12,420)	(157)	(12,263)	-
Capital Leases	29,695	-	29,695	-	-
Pension Benefits	28,164	-	28,164	-	-
Other Postemployment Benefits	423,652	657,136	441,259	639,529	-
Compensated Absences	938,766	-	112,358	826,408	50,427
	<u>\$ 19,175,781</u>	<u>\$ 1,679,716</u>	<u>\$ 3,368,536</u>	<u>\$ 17,486,961</u>	<u>\$ 1,905,427</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.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations (Continued)

General Obligation Debt

Individual general obligation long-term debt issues outstanding at June 30, 2011 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	4/1/05	10/1/20	3.25% - 4.15%	8,500,000	\$ 8,405,000
Refunding Bonds	4/9/08	10/1/11	2.50%	1,905,000	520,000
Refunding Bonds	10/14/09	10/1/17	2.00% - 3.25%	1,355,000	1,355,000
Refunding Bonds	4/1/10	10/1/16	2.00% - 2.50%	3,445,000	3,405,000
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	1,035,000	1,035,000
General Obligation Notes:					
Promissory Notes	5/17/07	10/1/11	4.00% - 4.25%	2,000,000	1,245,000
					<u>\$ 15,965,000</u>

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2011 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,855,000	\$ 506,339	\$ 2,361,339
2013	1,610,000	456,406	2,066,406
2014	1,675,000	413,614	2,088,614
2015	1,715,000	367,382	2,082,382
2016	1,765,000	317,003	2,082,003
2017-2021	7,045,000	692,598	7,737,598
2022-2026	300,000	21,246	321,246
Total	<u>\$ 15,965,000</u>	<u>\$ 2,774,588</u>	<u>\$ 18,739,588</u>

The 2010 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$865,797,164. The legal debt limit and margin of indebtedness as of June 30, 2011 in accordance with Section 67103(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$865,797,164)	\$ 86,579,716
Deduct Long-Term Debt Applicable to Debt Margin	15,965,000
Margin of Indebtedness	<u>\$ 70,614,716</u>

On May 23, 2011, the District issued \$1,035,000 of taxable general obligation refunding bonds. The proceeds of the issue were used for the current refunding of \$993,791 of the outstanding maturities of the District's state trust fund loan dated January 27, 2004. The refunding reduced the District's future debt service payments by \$39,015 and resulted in a present value savings of \$50,419.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Temporary Notes Payable

Changes in temporary notes payable of the District for the year ended June 30, 2011 were as follows:

Principal Outstanding at 7/1/10	Loan Proceeds	Repayments	Principal Outstanding at 6/30/11	Accrued Interest 6/30/11	Interest Expense	Interest Rate	Maturity Date
\$ -	\$ 7,037,500	\$ 6,252,500	\$ 785,000	\$ 59	\$ 8,092	2.75%	10/31/11

The District's temporary notes payable consists of a line of credit that has an outstanding maximum draw limit of \$3,000,000. 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.

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2011 consisted of the following:

	Total	Restricted	Assigned	Unassigned
Major Funds:				
General Fund	\$ 2,767,825	\$ -	\$ -	\$ 2,767,825
Debt Service Fund	2,164,407	2,164,407	-	-
Nonmajor Funds:				
Special Revenue Funds:				
Education Trust	29,334	-	29,334	-
Food Service Fund	20,490	20,490	-	-
Community Services Programs:				
Adult Education	9,383	-	9,383	-
Theatre	4,959	-	4,959	-
Day Care	38,633	-	38,633	-
Subtotal Nonmajor Funds	<u>102,799</u>	<u>20,490</u>	<u>82,309</u>	<u>-</u>
Total Governmental Funds Balances at June 30, 2011	<u>\$ 5,035,031</u>	<u>\$ 2,184,897</u>	<u>\$ 82,309</u>	<u>\$ 2,767,825</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 OTHER INFORMATION

A. Employee Retirement Plan

All eligible District employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work at least 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the general/teacher category are required by statute to contribute 6.2% and 6.5% of their salary to the plan during 2010 and 2011 respectively. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for District employees covered by the WRS for the year ended June 30, 2011 was \$10,515,501, the employer's total payroll was \$10,978,300. The total contributions for the year ended June 30, 2011 were \$1,189,237, which consisted of \$521,010, or 4.95% of payroll from the employer and \$668,227, or 6.35% of payroll from employees. Total contributions for the years ending June 30, 2010 and June 30, 2009 were \$1,093,418 and \$1,056,050, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. 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 employee's three highest years earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility for, and the amount of, all benefits is determined under Chapter 40 of Wisconsin Statutes. 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.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (CONTINUED)

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 137 active participants and 31 retired participants receiving benefits from the District's health plans.

Funding Policy

The District has \$233,185 of invested plan assets accumulated for payment of future benefits. For the year ended June 30, 2011, the District contributed \$441,259 to the plan.

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	\$ 662,985
Interest on Net OPEB Obligation	23,301
Adjustment to Annual Required Contribution	<u>(29,150)</u>
Annual OPEB Cost (Expense)	657,136
Contributions Made	<u>(441,259)</u>
Increase (Decrease) in Net OPEB Obligation	215,877
Net OPEB Obligation (Asset) - Beginning of Year	<u>423,652</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 639,529</u></u>

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

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 2011 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)
6/30/09	\$ 717,283	60.7%	\$ 282,219
6/30/10	726,657	80.5%	423,652
6/30/11	657,136	67.1%	639,529

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$5,726,449. The annual payroll for active employees covered by the plan was \$8,195,363 for a ratio of UAAL to covered payroll of 69.9%.

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.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit 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 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, 2010 actuarial valuation, the projected unit credit 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 10.0%, reduced by decrements to an ultimate rate of 5.0% by the year 2016. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 was 29 years.

C. Supplemental Pension Plan

In connection with the adoption of Governmental Accounting Standards Board (GASB) Statement No. 27, 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 137 possible participants under this plan.

Funding Policy

The District funds its pension obligation on a pay-as-you-go basis. For fiscal year 2011, the District contributed \$107,650 to the plan.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011**

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 un-funded 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	\$	61,544
Interest on Net Pension Obligation		1,408
Adjustment to Annual Required Contribution		(1,832)
Annual Pension Cost (Expense)		61,120
Contributions Made		(107,650)
Increase in Net Pension Obligation		(46,530)
Net Pension Obligation (Asset) - Beginning of Year		28,164
Net Pension Obligation (Asset) - End of Year	\$	(18,366)

The District's annual pension cost, the percentage of the annual pension cost contributed to the plan, and the net pension asset for fiscal year 2011 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)
6/30/09	\$ 52,831	101.9%	\$ (994)
6/30/10	50,675	42.5%	28,164
6/30/11	61,120	176.1%	(18,366)

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplement Pension Plan (Continued)

Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$511,966. The annual payroll for active employees covered by the plan was \$8,195,363 for a ratio of UAAL to covered payroll of 6.2%.

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.

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, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 5.0% 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 as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 was 29 years.

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.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Compensated Absences (Continued)

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, 2011 was \$26,878 and \$799,530, 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.B). The District contributed \$441,259 during 2010-11. The annual required contribution was \$553,178 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 assets of \$309,488 at June 30, 2011.

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, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 7,325,019	\$ 7,325,019	\$ 7,325,019	\$ -
Other Local Sources	185,650	185,650	172,192	(13,458)
Interdistrict Sources	382,864	382,864	368,826	(14,038)
Intermediate Sources	58,428	58,428	70,531	12,103
State Sources	10,894,204	10,894,204	10,877,879	(16,325)
Federal Sources	724,414	724,414	731,115	6,701
Other Sources	82,750	82,750	107,558	24,808
Total Revenues	<u>19,653,329</u>	<u>19,653,329</u>	<u>19,653,120</u>	<u>(209)</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,951,125	3,958,729	4,046,020	(87,291)
Regular Curriculum	4,375,346	4,375,346	4,238,509	136,837
Vocational Curriculum	762,765	762,765	777,389	(14,624)
Physical Curriculum	585,174	585,174	592,681	(7,507)
Special Education Curriculum	1,944,358	1,944,358	1,880,718	63,640
Co-Curricular Activities	276,475	276,475	270,541	5,934
Other Special Needs	147,237	147,237	139,115	8,122
Total Instruction	<u>12,042,480</u>	<u>12,050,084</u>	<u>11,944,973</u>	<u>105,111</u>
Support Services:				
Pupil Services	781,479	781,479	771,755	9,724
Instructional Staff Services	1,003,627	993,023	911,635	81,388
General Administration	426,605	426,605	530,043	(103,438)
School Building Administration	909,008	909,008	887,625	21,383
Business Administration	3,207,902	3,207,902	3,208,642	(740)
Central Services	144,987	144,987	259,771	(114,784)
Insurance and Judgments	189,454	189,454	168,930	20,524
Debt Services	42,121	84,242	57,037	27,205
Other Support Services	168,887	168,887	247,413	(78,526)
Total Support Services	<u>6,874,070</u>	<u>6,905,587</u>	<u>7,042,851</u>	<u>(137,264)</u>
Non-Program:				
Purchased Instructional Services	649,874	649,874	625,552	24,322
Other Non-Program	2,500	2,500	-	2,500
Total Non-Program	<u>652,374</u>	<u>652,374</u>	<u>625,552</u>	<u>26,822</u>
Total Expenditures	<u>19,568,924</u>	<u>19,608,045</u>	<u>19,613,376</u>	<u>(5,331)</u>
EXCESS OF REVENUES OVER EXPENDITURES	84,405	45,284	39,744	(5,540)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	27,945	27,945
Discount on Debt Issued	-	-	(12,420)	(12,420)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>15,525</u>	<u>15,525</u>
NET CHANGE IN FUND BALANCE	84,405	45,284	55,269	9,985
Fund Balance, Beginning of Year	<u>2,712,556</u>	<u>2,712,556</u>	<u>2,712,556</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,796,961</u>	<u>\$ 2,757,840</u>	<u>\$ 2,767,825</u>	<u>\$ 9,985</u>

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF 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%
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%

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

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.

EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the District's general fund is presented as required supplementary information following the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of the fund are shown in that schedule.

OTHER 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, 2011

	Original Budgets				Final Budgets				Actuals			
	Fund 10 General Fund	Fund 27 Special Education Fund	Elimination Adjustments	Totals	Fund 10 General Fund	Fund 27 Special Education Fund	Elimination Adjustments	Totals	Fund 10 General Fund	Fund 27 Special Education Fund	Elimination Adjustments	Totals
REVENUES												
Local Sources:												
Property Taxes	\$ 7,325,019	\$ -	\$ -	\$ 7,325,019	\$ 7,325,019	\$ -	\$ -	\$ 7,325,019	\$ 7,325,019	\$ -	\$ -	\$ 7,325,019
Other Local Sources	185,650	-	-	185,650	185,650	-	-	185,650	172,192	-	-	172,192
Interdistrict Sources	354,092	28,772	-	382,864	354,092	28,772	-	382,864	337,350	31,476	-	368,826
Intermediate Sources	39,428	19,000	-	58,428	39,428	19,000	-	58,428	59,640	10,891	-	70,531
State Sources	10,393,161	501,043	-	10,894,204	10,393,161	501,043	-	10,894,204	10,362,530	515,349	-	10,877,879
Federal Sources	292,977	431,437	-	724,414	292,977	431,437	-	724,414	281,605	449,510	-	731,115
Other Sources	82,750	-	-	82,750	82,750	-	-	82,750	107,558	-	-	107,558
Total Revenues	18,673,077	980,252	-	19,653,329	18,673,077	980,252	-	19,653,329	18,645,894	1,007,226	-	19,653,120
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	3,951,125	-	-	3,951,125	3,958,729	-	-	3,958,729	4,046,020	-	-	4,046,020
Regular Curriculum	4,375,346	-	-	4,375,346	4,375,346	-	-	4,375,346	4,238,509	-	-	4,238,509
Vocational Curriculum	755,665	7,100	-	762,765	755,665	7,100	-	762,765	771,595	5,794	-	777,389
Physical Curriculum	585,174	-	-	585,174	585,174	-	-	585,174	592,681	-	-	592,681
Special Education Curriculum	-	1,944,358	-	1,944,358	-	1,944,358	-	1,944,358	-	1,880,718	-	1,880,718
Co-Curricular Activities	276,475	-	-	276,475	276,475	-	-	276,475	270,541	-	-	270,541
Other Special Needs	144,977	2,260	-	147,237	144,977	2,260	-	147,237	139,115	-	-	139,115
Total Instruction	10,088,762	1,953,718	-	12,042,480	10,096,366	1,953,718	-	12,050,084	10,058,461	1,886,512	-	11,944,973
Support Services:												
Pupil Services	535,114	246,365	-	781,479	535,114	246,365	-	781,479	542,414	229,341	-	771,755
Instructional Staff Services	790,140	213,487	-	1,003,627	779,536	213,487	-	993,023	691,184	220,451	-	911,635
General Administration	426,605	-	-	426,605	426,605	-	-	426,605	530,043	-	-	530,043
School Building Administration	909,008	-	-	909,008	909,008	-	-	909,008	887,625	-	-	887,625
Business Administration	3,113,740	94,162	-	3,207,902	3,113,740	94,162	-	3,207,902	3,118,094	90,548	-	3,208,642
Central Services	144,987	-	-	144,987	144,987	-	-	144,987	259,771	-	-	259,771
Insurance and Judgments	179,854	9,600	-	189,454	179,854	9,600	-	189,454	160,105	8,825	-	168,930
Debt Services	42,121	-	-	42,121	84,242	-	-	84,242	57,037	-	-	57,037
Other Support Services	168,887	-	-	168,887	168,887	-	-	168,887	247,413	-	-	247,413
Total Support Services	6,310,456	563,614	-	6,874,070	6,341,973	563,614	-	6,905,587	6,493,686	549,165	-	7,042,851
Non-Program:												
Purchased Instructional Services	625,758	24,116	-	649,874	625,758	24,116	-	649,874	610,273	15,279	-	625,552
Other Non-Program	2,500	-	-	2,500	2,500	-	-	2,500	-	-	-	-
Total Non-Program	628,258	24,116	-	652,374	628,258	24,116	-	652,374	610,273	15,279	-	625,552
Total Expenditures	17,027,476	2,541,448	-	19,568,924	17,066,597	2,541,448	-	19,608,045	17,162,420	2,450,956	-	19,613,376
EXCESS OF REVENUES OVER EXPENDITURES	1,645,601	(1,561,196)	-	84,405	1,606,480	(1,561,196)	-	45,284	1,483,474	(1,443,730)	-	39,744
OTHER FINANCING SOURCES (USES)												
Long-Term Debt Issued	-	-	-	-	-	-	-	-	27,945	-	-	27,945
Discount on Debt Issued	-	-	-	-	-	-	-	-	(12,420)	-	-	(12,420)
Transfers In	-	1,561,196	(1,561,196)	-	-	1,561,196	(1,561,196)	-	-	1,443,730	(1,443,730)	-
Transfers Out	(1,561,196)	-	1,561,196	-	(1,561,196)	-	1,561,196	-	(1,443,730)	-	1,443,730	-
Total Other Financing Sources (Uses)	(1,561,196)	1,561,196	-	-	(1,561,196)	1,561,196	-	-	(1,428,205)	1,443,730	-	15,525
NET CHANGE IN FUND BALANCE	84,405	-	-	84,405	45,284	-	-	45,284	55,269	-	-	55,269
Fund Balance, Beginning of Year	2,712,556	-	-	2,712,556	2,712,556	-	-	2,712,556	2,712,556	-	-	2,712,556
FUND BALANCE, END OF YEAR	\$ 2,796,961	\$ -	\$ -	\$ 2,796,961	\$ 2,757,840	\$ -	\$ -	\$ 2,757,840	\$ 2,767,825	\$ -	\$ -	\$ 2,767,825

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Property Taxes	\$ 7,325,019	\$ 7,325,019	\$ 7,325,019	\$ -
Other Local Sources	185,650	185,650	172,192	(13,458)
Interdistrict Sources	354,092	354,092	337,350	(16,742)
Intermediate Sources	39,428	39,428	59,640	20,212
State Sources	10,393,161	10,393,161	10,362,530	(30,631)
Federal Sources	292,977	292,977	281,605	(11,372)
Other Sources	82,750	82,750	107,558	24,808
Total Revenues	<u>18,673,077</u>	<u>18,673,077</u>	<u>18,645,894</u>	<u>(27,183)</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,951,125	3,958,729	4,046,020	(87,291)
Regular Curriculum	4,375,346	4,375,346	4,238,509	136,837
Vocational Curriculum	755,665	755,665	771,595	(15,930)
Physical Curriculum	585,174	585,174	592,681	(7,507)
Co-Curricular Activities	276,475	276,475	270,541	5,934
Other Special Needs	144,977	144,977	139,115	5,862
Total Instruction	<u>10,088,762</u>	<u>10,096,366</u>	<u>10,058,461</u>	<u>37,905</u>
Support Services:				
Pupil Services	535,114	535,114	542,414	(7,300)
Instructional Staff Services	790,140	779,536	691,184	88,352
General Administration	426,605	426,605	530,043	(103,438)
School Building Administration	909,008	909,008	887,625	21,383
Business Administration	3,113,740	3,113,740	3,118,094	(4,354)
Central Services	144,987	144,987	259,771	(114,784)
Insurance and Judgments	179,854	179,854	160,105	19,749
Debt Services	42,121	84,242	57,037	27,205
Other Support Services	168,887	168,887	247,413	(78,526)
Total Support Services	<u>6,310,456</u>	<u>6,341,973</u>	<u>6,493,686</u>	<u>(151,713)</u>
Non-Program:				
Purchased Instructional Services	625,758	625,758	610,273	15,485
Other Non-Program	2,500	2,500	-	2,500
Total Non-Program	<u>628,258</u>	<u>628,258</u>	<u>610,273</u>	<u>17,985</u>
Total Expenditures	<u>17,027,476</u>	<u>17,066,597</u>	<u>17,162,420</u>	<u>(95,823)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,645,601	1,606,480	1,483,474	(123,006)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	-	27,945	27,945
Discount on Debt Issued	-	-	(12,420)	(12,420)
Transfers Out	(1,561,196)	(1,561,196)	(1,443,730)	117,466
Total Other Financing Sources (Uses)	<u>(1,561,196)</u>	<u>(1,561,196)</u>	<u>(1,428,205)</u>	<u>132,991</u>
NET CHANGE IN FUND BALANCE	84,405	45,284	55,269	9,985
Fund Balance, Beginning of Year	<u>2,712,556</u>	<u>2,712,556</u>	<u>2,712,556</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$ 2,796,961	\$ 2,757,840	\$ 2,767,825	\$ 9,985

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict Sources	\$ 28,772	\$ 28,772	\$ 31,476	\$ 2,704
Intermediate Sources	19,000	19,000	10,891	(8,109)
State Sources	501,043	501,043	515,349	14,306
Federal Sources	431,437	431,437	449,510	18,073
Total Revenues	<u>980,252</u>	<u>980,252</u>	<u>1,007,226</u>	<u>26,974</u>
EXPENDITURES				
Instruction:				
Vocational Curriculum	7,100	7,100	5,794	1,306
Special Education Curriculum	1,944,358	1,944,358	1,880,718	63,640
Other Special Needs	2,260	2,260	-	2,260
Total Instruction	<u>1,953,718</u>	<u>1,953,718</u>	<u>1,886,512</u>	<u>67,206</u>
Support Services:				
Pupil Services	246,365	246,365	229,341	17,024
Instructional Staff Services	213,487	213,487	220,451	(6,964)
Business Administration	94,162	94,162	90,548	3,614
Insurance and Judgments	9,600	9,600	8,825	775
Total Support Services	<u>563,614</u>	<u>563,614</u>	<u>549,165</u>	<u>14,449</u>
Non-Program:				
Purchased Instructional Services	24,116	24,116	15,279	8,837
Total Expenditures	<u>2,541,448</u>	<u>2,541,448</u>	<u>2,450,956</u>	<u>90,492</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,561,196)	(1,561,196)	(1,443,730)	117,466
OTHER FINANCING SOURCES				
Transfers In	<u>1,561,196</u>	<u>1,561,196</u>	<u>1,443,730</u>	<u>(117,466)</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, 2011

	Special Revenue Funds					Student Activity Events	Total Nonmajor Governmental Funds
	Community Services				Day Care		
	Education Trust	Food Service	Adult Education	Theatre			
ASSETS							
Cash and Investments	\$ 29,334	\$ -	\$ 8,168	\$ 5,039	\$ 42,294	\$ -	\$ 84,835
Accounts Receivable	-	1,261	566	-	375	-	2,202
Due from Other Governments	-	75,641	-	-	-	-	75,641
Due from Fiduciary Funds	-	728	727	-	-	-	1,455
Total Assets	\$ 29,334	\$ 77,630	\$ 9,461	\$ 5,039	\$ 42,669	\$ -	\$ 164,133
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ -	\$ 2,815	\$ 78	\$ 80	\$ -	\$ -	\$ 2,973
Accrued Salaries and Wages	-	3,129	-	-	4,036	-	7,165
Due to Other Governmental Funds	-	35,061	-	-	-	-	35,061
Deferred Revenues	-	16,135	-	-	-	-	16,135
Total Liabilities	-	57,140	78	80	4,036	-	61,334
Fund Balances:							
Restricted	-	20,490	-	-	-	-	20,490
Assigned	29,334	-	9,383	4,959	38,633	-	82,309
Total Fund Balances	29,334	20,490	9,383	4,959	38,633	-	102,799
Total Liabilities and Fund Balances	\$ 29,334	\$ 77,630	\$ 9,461	\$ 5,039	\$ 42,669	\$ -	\$ 164,133

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2011

	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	23,289	458,495	51,388	1,975	134,665	25,655	695,467
State Sources	-	23,620	-	-	-	-	23,620
Federal Sources	-	444,813	-	-	-	-	444,813
Other Sources	1,283	156	-	-	-	200	1,639
Total Revenues	24,572	927,084	143,388	1,975	146,665	25,855	1,269,539
EXPENDITURES							
Instruction:							
Regular Instruction	22,383	-	-	-	-	-	22,383
Special Instruction	317	-	-	-	-	-	317
Other Instruction	-	-	-	-	-	25,855	25,855
Support Services:							
General Administration	-	-	76,494	-	-	-	76,494
Operation and Maintenance of Plant	2,655	-	-	-	-	-	2,655
Food Service	-	935,464	-	-	-	-	935,464
Central Services	1,689	-	-	-	-	-	1,689
Community Services	-	-	66,148	2,167	129,328	-	197,643
Total Expenditures	27,044	935,464	142,642	2,167	129,328	25,855	1,262,500
NET CHANGE IN FUND BALANCES	(2,472)	(8,380)	746	(192)	17,337	-	7,039
Fund Balances, Beginning of Year	31,806	28,870	8,637	5,151	21,296	-	95,760
FUND BALANCES, END OF YEAR	\$ 29,334	\$ 20,490	\$ 9,383	\$ 4,959	\$ 38,633	\$ -	\$ 102,799

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DEBT SERVICE FUND
DETAILED BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2010)

	Referendum Debt Service	Non-Referendum Debt Service	Totals	
			2011	2010
ASSETS				
Cash and Investments	\$ 2,160,136	\$ 1,971	\$ 2,162,107	\$ 2,015,582
Due from General Fund	2,300	-	2,300	-
Total Assets	<u>\$ 2,162,436</u>	<u>\$ 1,971</u>	<u>\$ 2,164,407</u>	<u>\$ 2,015,582</u>
LIABILITIES AND FUND BALANCES				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balances:				
Restricted	<u>2,162,436</u>	<u>1,971</u>	<u>2,164,407</u>	<u>2,015,582</u>
Total Liabilities and Fund Balances	<u>\$ 2,162,436</u>	<u>\$ 1,971</u>	<u>\$ 2,164,407</u>	<u>\$ 2,015,582</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2010)

	Referendum	Non-Referendum	Totals	
	Debt Service	Debt Service	2011	2010
REVENUES				
Local Sources:				
Property Taxes	\$ 2,365,911	\$ 113,723	\$ 2,479,634	\$ 2,409,444
Other Local Sources	2,682	-	2,682	24,216
Total Revenues	<u>2,368,593</u>	<u>113,723</u>	<u>2,482,316</u>	<u>2,433,660</u>
EXPENDITURES				
Debt Service:				
Principal Retirement	1,685,000	58,336	1,743,336	2,050,569
Interest and Fiscal Fees	536,739	66,680	603,419	757,119
Debt Issuance Costs	-	-	-	96,702
Total Expenditures	<u>2,221,739</u>	<u>125,016</u>	<u>2,346,755</u>	<u>2,904,390</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	146,854	(11,293)	135,561	(470,730)
OTHER FINANCING SOURCES (USES)				
Long-Term Debt Issued	-	1,007,055	1,007,055	4,800,000
Premium on Debt Issued	-	-	-	92,377
Principal Payments on Refinanced Debt	-	(993,791)	(993,791)	(4,790,391)
Total Other Financing Sources (Uses)	<u>-</u>	<u>13,264</u>	<u>13,264</u>	<u>101,986</u>
NET CHANGE IN FUND BALANCES	146,854	1,971	148,825	(368,744)
Fund Balances, Beginning of Year	<u>2,015,582</u>	<u>-</u>	<u>2,015,582</u>	<u>2,384,326</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,162,436</u>	<u>\$ 1,971</u>	<u>\$ 2,164,407</u>	<u>\$ 2,015,582</u>

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
CHANGE IN BALANCES
YEAR ENDED JUNE 30, 2011**

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS				
Cash and Investments	<u>\$ 162,055</u>	<u>\$ 234,226</u>	<u>\$ 238,514</u>	<u>\$ 157,767</u>
LIABILITIES				
Accounts Payable	\$ 272	\$ 569	\$ -	\$ 841
Due to Student Organizations:				
Elementary School	21,464	29,341	31,626	19,179
Intermediate School	26,414	31,627	32,186	25,855
Middle School	53,398	41,622	41,895	53,125
Senior High School	45,409	125,625	127,366	43,668
District Wide	<u>15,098</u>	<u>5,442</u>	<u>5,441</u>	<u>15,099</u>
Total Liabilities	<u>\$ 162,055</u>	<u>\$ 234,226</u>	<u>\$ 238,514</u>	<u>\$ 157,767</u>

SINGLE AUDIT SECTION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2010	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2011
<u>U.S. Department of Agriculture</u>					
Wisconsin Department of Public Instruction:					
School Breakfast Program:					
July 1, 2009 to June 30, 2010	10.553 {a}	\$ 3,108	\$ -	\$ 3,108	\$ -
July 1, 2010 to June 30, 2011		-	98,923	83,017	15,906
Food Donation:					
July 1, 2010 to June 30, 2011	10.555 {a}	-	48,596	48,596	-
National School Lunch Program:					
July 1, 2009 to June 30, 2010	10.555 {a}	4,458	-	4,458	-
July 1, 2010 to June 30, 2011		-	279,679	237,559	42,120
School Milk Program:					
July 1, 2010 to June 30, 2011	10.559 {a}	-	17,615	-	17,615
Total Department of Agriculture		7,566	444,813	376,738	75,641
<u>U.S. Department of Education</u>					
Wisconsin Department of Public Instruction:					
ESEA Title I-A Basic Grant:					
July 1, 2010 to June 30, 2011	84.010 {b}	-	173,375	173,375	-
IDEA Flow Through:					
July 1, 2009 to June 30, 2010	84.027 {c}	67,273	-	67,273	-
July 1, 2010 to June 30, 2011		-	361,447	281,154	80,293
Vocational Education:					
July 1, 2010 to June 30, 2011	84.048	-	9,315	-	9,315
IDEA Preschool Entitlement:					
July 1, 2009 to June 30, 2010	84.173 {c}	3,536	-	3,536	-
July 1, 2010 to June 30, 2011		-	13,932	12,824	1,108

{a} = Child Nutrition Cluster
{b} = Title I, Part A Cluster
{c} = Special Education Cluster

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2011**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2010	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2011
<u>U.S. Department of Education (Continued)</u>					
Wisconsin Department of Public Instruction (Continued):					
Title III - Immigrant Child/Youth Grant: July 1, 2010 to June 30, 2011	84.365A	\$ -	\$ 1,000	\$ 1,000	\$ -
EETT ARRA - Title II D: July 1, 2010 to June 30, 2011	84.386A	-	251	251	-
ESEA Title II-A Teacher and Principal Training and Recruiting Fund: July 1, 2009 to June 30, 2010	84.367	17,396	-	17,396	-
July 1, 2010 to June 30, 2011		-	80,362	51,735	28,627
ARRA - ESEA Title I-A: July 1, 2010 to June 30, 2011	84.389 {b}	-	27,867	21,964	5,903
ARRA - IDEA Flow Through: July 1, 2009 to June 30, 2010	84.391 {c}	71,962	-	71,962	-
July 1, 2010 to June 30, 2011		-	1,337	1,337	-
ARRA - IDEA Preschool Entitlement: July 1, 2010 to June 30, 2011	84.392 {c}	-	15,254	15,254	-
Cooperative Educational Service Agency No. 11: ESEA Title IV-A Safe & Drug Free Schools: July 1, 2009 to June 30, 2010	84.186	2,580	-	2,580	-
Total Department of Education		<u>162,747</u>	<u>684,140</u>	<u>721,641</u>	<u>125,246</u>
<u>U.S. Department of Health and Human Services</u>					
Wisconsin Department of Health and Family Services:					
Medical Assistance Program: July 1, 2010 to June 30, 2011	93.778	-	57,539	56,740	799
Total Federal Program Awards		<u>\$ 170,313</u>	<u>\$ 1,186,492</u>	<u>\$ 1,155,119</u>	<u>\$ 201,686</u>

{b} = Title I, Part A Cluster

{c} = Special Education Cluster

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Accrued Receivable (Deferred Revenue) July 1, 2010	Expenditures	State Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2011
<u>Wisconsin Department of Public Instruction</u>					
Cost Reimbursement Programs - Nonmajor:					
Direct Grant:					
Youth Alcohol and Other Drug Abuse	255.312	\$ -	\$ 38,440	\$ 38,440	\$ -
Mentoring Grants for Initial Educators	255.355	-	3,000	3,000	-
Total Cost Reimbursement Programs		<u>\$ -</u>	<u>\$ 41,440</u>	41,440	<u>\$ -</u>
<u>Wisconsin Department of Public Instruction</u>					
Entitlement Programs:					
Major State Programs:					
Handicapped Pupils and School Age Parents:	255.101	[1]			
Internal District Programs				515,349	
Participant in Package Program at CESA No. 11				10,891	
Total Handicapped Program				<u>526,240</u>	
Common School Fund	255.103				
Pupil Transportation	255.107			78,355	
General Equalization	255.201			9,739,831	[2]
Student Achievement Guarantee in Education	255.504			419,746	
Total Major Programs				<u>10,764,172</u>	
Nonmajor State Programs:					
State Lunch	255.102			8,944	
Common School Fund	255.103			55,863	
Morning Milk Program	255.109			2,819	
School Breakfast Program	255.344			11,856	
Wisconsin's Movin' Schools	255.345			500	
Total Nonmajor Programs				<u>79,982</u>	
Total State Financial Assistance				<u>\$ 10,885,594</u>	

[1] District's 2010-11 Aidable Costs Reported to DPI Totaled \$2,020,350.

[2] Includes \$164,312 Receivable at 6/30/11.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2011

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.

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).

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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery (District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. We consider Items 2011-01 through 2011-03 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on them.

This report is intended for the information and use of the governing board and management of the District and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

LarsonAllen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
November 21, 2011

**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 IN ACCORDANCE WITH OMB CIRCULAR A-133
AND STATE SINGLE AUDIT GUIDELINES**

Board of Education
School District of Amery
Amery, Wisconsin

Compliance

We have audited the compliance of the School District of Amery, Wisconsin (District) with the types of compliance requirements described in the *OMB Circular A-133 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, 2011. 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 for the same period. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The District's major state programs are identified in the schedule of expenditures of state awards. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal and state programs. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 and 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the board and management of the District, and the federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Larson Allen LLP

LarsonAllen LLP

Eau Claire, Wisconsin
November 21, 2011

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2011

PART I: SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the District.
2. Material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements and are listed as Findings 2011-01 through 2011-03.
3. No instances of noncompliance material to the financial statements of the District were disclosed during the audit.
4. No matters involving internal control over compliance relating to the audit of the major federal award programs or the major state financial assistance programs were reported in the "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 with *OMB Circular A-133 and State Single Audit Guidelines*".
5. The audit disclosed no findings, which were required to be reported in accordance with Office on Management and Budget Circular A-133, Section .510(a)(1).
6. The independent auditors' report on compliance for the major federal award programs and the major state financial assistance programs for the District expresses an unqualified opinion.
7. The federal program tested as a major program was:

CFDA #10.553, #10.555, and #10.559	Child Nutrition Cluster
CFDA #84.027, #84.173, #84,391, and #84.392	Special Education Cluster (IDEA)
- State programs tested as major programs are identified in the schedule of state financial assistance.
8. The threshold for distinguishing Types A and B programs was \$300,000 for federal award programs and \$100,000 for state financial assistance programs.
9. The District did not qualify as a low-risk auditee as defined in OMB Circular A-133.
10. A summary schedule of prior audit findings has not been included since there were no findings in the prior year for major federal award programs and the major state financial assistance programs.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2011

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2011-01 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

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).

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

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.

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.

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.

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, 2011

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

FINDING: 2011-02 Limited Segregation of Duties

Condition: The auditors noted during the audit that the available staff precludes a proper separation of duties to assure adequate internal control.

Criteria: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

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.

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.

Cause: The condition is due to limited staff available.

Recommendation: The District should continue to evaluate its staffing 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.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2011**

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

FINDING: 2011-03 Material Audit Adjustments

Condition: The audit firm proposed and the District posted to its general ledger accounts journal entries for correcting certain misstatements.

Criteria: The District should have controls in place to prevent or detect a material misstatement in the financial statements in a timely manner.

Context: The District has informed us that they will continue to rely upon the audit firm to propose such audit adjustments as are necessary to adjust accounts in accordance with Generally Accepted Accounting Principles (GAAP). Management will review and approve those entries prior to recording them.

Effect: The financial statements of the District may include inaccurate information not detected or prevented by District staff.

Cause: The District has not established controls to ensure that all accounts are adjusted to their appropriate year end balances in accordance with GAAP.

Recommendation: The District should continue to evaluate its internal control processes to determine if additional internal control procedures should be implemented to ensure that accounts are adjusted to their appropriate year end balances in accordance with GAAP.

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 propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review and approve these entries prior to recording them.

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, 2011**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.