

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2012

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



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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, 2012, 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, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2012 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.

Board of Education
School District of Amery

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The individual and combining fund statements are for purposes of additional analysis and are not a required part of the 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. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 11, 2012

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012

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, 2012. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2011-12 fiscal year include the following:

- The assets of the District exceeded liabilities at the close of the fiscal year by \$11,345,801 (net assets). Of this amount, \$8,934,969 represents amounts invested in capital assets, net of related debt, \$1,857,643 is for restricted purposes and the remaining balance of \$553,189 is classified as unrestricted net assets.
- Net assets for the most recent fiscal year increased \$773,968 over the prior year.
- Net capital assets decreased by \$615,350 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 \$1,855,000 during the year. The District's other long-term obligations, including the current portions, increased \$161,032 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$4,093,671 of total revenues of \$22,362,204. General revenues accounted for \$18,268,533, including \$9,323,348 of property taxes and \$8,767,585 of general aid. General revenues accounted for 81.7% of all revenues.
- The District had a total of \$21,588,236 of expenses, of which \$4,093,671 were financed with program revenues.
- The total fund balance of the District's governmental funds decreased \$178,568. The general fund had an increase of \$79,753, with a decrease of \$261,243 in the debt service fund, and an increase of \$2,922 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, budgetary comparisons for the major governmental funds and schedule of funding progress.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012

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, 2012.

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, 2012

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, 2012, compared to the prior fiscal year.

	<u>Governmental Activities</u>	
	<u>2012</u>	<u>2011</u>
Current and Other Assets	\$ 9,113,693	\$ 8,533,003
Capital Assets	<u>22,047,616</u>	<u>22,662,966</u>
Total Assets	31,161,309	31,195,969
Current Liabilities	4,022,515	3,137,175
Long-Term Liabilities	<u>15,792,993</u>	<u>17,486,961</u>
Total Liabilities	<u>19,815,508</u>	<u>20,624,136</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	8,934,969	7,676,942
Restricted	1,857,643	2,106,468
Unrestricted	553,189	788,423
Total Net Assets	<u>\$ 11,345,801</u>	<u>\$ 10,571,833</u>

A significant portion of the District's net assets (78.8%) 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, 2012

Restricted net assets account for 16.4% 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 \$1,783,853 for this purpose.

Total liabilities decreased by \$808,628 during the year, including a net decrease of \$1,855,000 in outstanding general obligation debt.

The District's net assets increased \$773,968 during the year. In addition, the District's unrestricted net assets decreased \$235,234, decreasing the balance of the unrestricted component to \$553,189.

Change in Net Assets. Table 2 shows the change in net assets for the fiscal years 2012 and 2011:

Table 2
Change in Net Assets

	Governmental Activities	
	2012	2011
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,288,852	\$ 1,225,786
Operating Grants and Contributions	2,804,819	2,332,618
General Revenues:		
Property Taxes	9,323,348	9,908,653
General Formula Aid	8,767,585	9,739,831
Other	177,600	198,087
Total Revenues	<u>22,362,204</u>	<u>23,404,975</u>
Expenses:		
Instruction	12,034,304	12,805,958
Pupil and Instructional Services	1,546,474	1,695,240
Administration and Business	1,886,315	1,777,438
Operation and Maintenance	1,843,720	1,911,008
Pupil Transportation	1,063,335	1,130,742
Food Service	974,435	955,102
Community Services	218,566	197,643
Interest on Debt and Fiscal Fees	603,124	692,194
Other	1,417,963	1,396,108
Total Expenses	<u>21,588,236</u>	<u>22,561,433</u>
Change in Net Assets	773,968	843,542
Net Assets Beginning of Year	<u>10,571,833</u>	<u>9,728,291</u>
Net Assets - End of Year	<u><u>\$ 11,345,801</u></u>	<u><u>\$ 10,571,833</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012

As shown in Table 2, general revenues provided 81.7% of the funding required for governmental activities for fiscal year 2012 with property taxes providing 41.7% of the funding and general formula aid providing 39.2%. Program revenues, consisting of charges for services, grants and contributions, provided 18.3% of the funding. The program revenues were allocated to the expense functions as shown in Table 3.

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

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

	<u>2012</u>	<u>2011</u>
Subject to Revenue Limit:		
General Fund	\$ 7,119,844	\$ 7,324,607
Debt Service (Non-Referendum)	111,743	113,723
Not Subject to Revenue Limit:		
Debt Service	1,987,761	2,365,911
Community Service	104,000	104,000
Property Tax Chargebacks	-	412
	<u>\$ 9,323,348</u>	<u>\$ 9,908,653</u>

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 \$972,246 (10.0%) in 2012, from \$9,739,831 in 2011 to \$8,767,585 in 2012.

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.

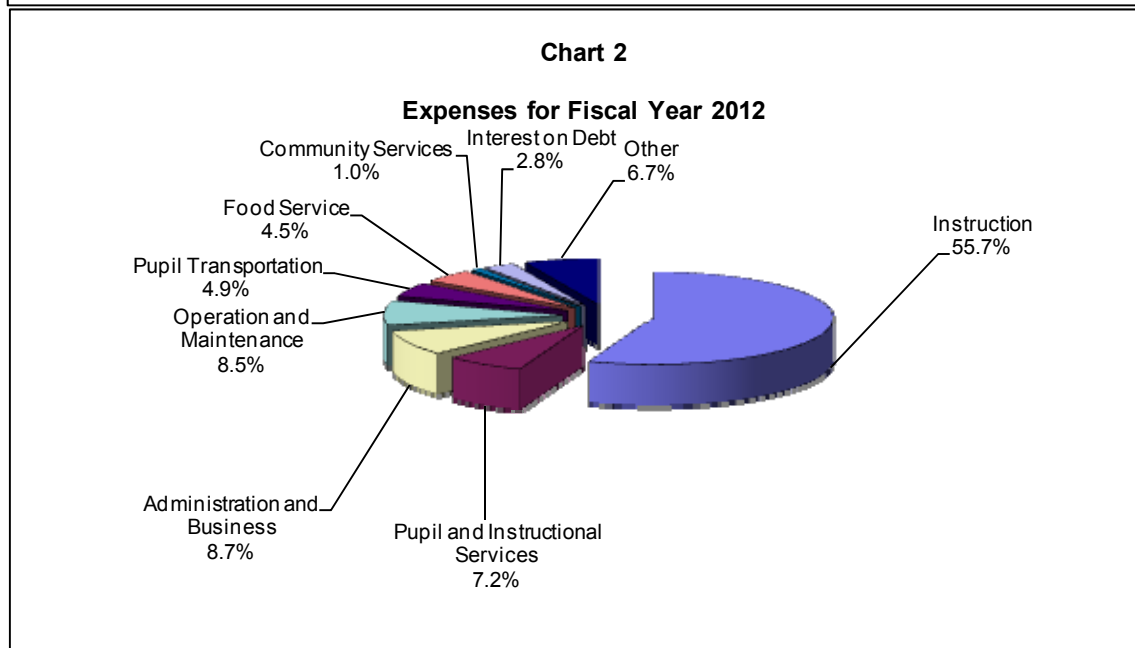
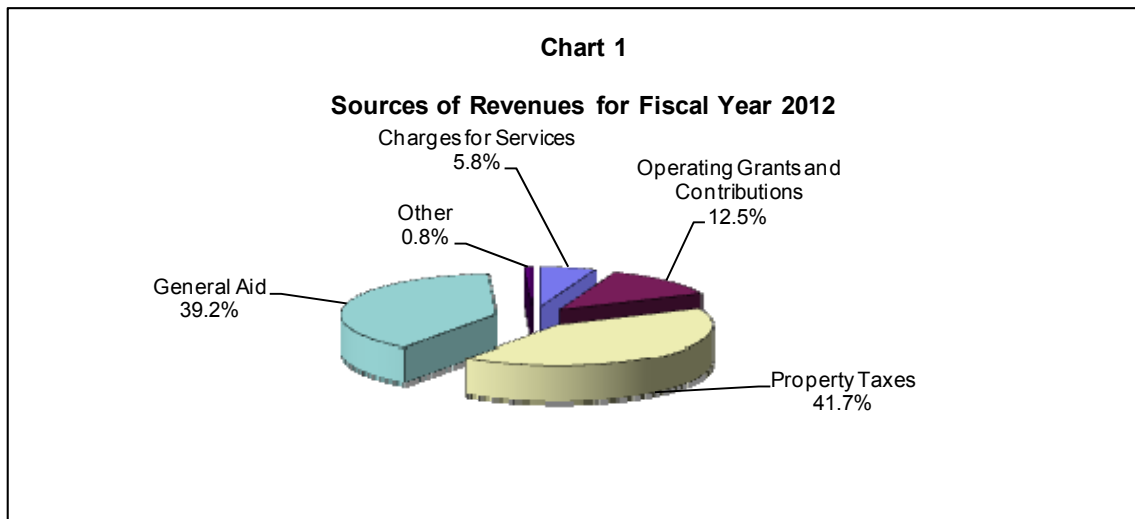
Table 3
Net Cost of Governmental Activities

<u>Expense Functions</u>	<u>2012</u>		<u>2011</u>	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 12,034,304	\$ 9,574,224	\$ 12,805,958	\$ 10,792,824
Pupil and Instructional Services	1,546,474	1,256,718	1,695,240	1,381,394
Administration and Business	1,886,315	1,837,270	1,777,438	1,774,732
Operations and Maintenance	1,843,720	1,841,454	1,911,008	1,908,791
Pupil Transportation	1,063,335	924,596	1,130,742	1,019,666
Food Service	974,435	18,577	955,102	28,018
Community Services	218,566	22,985	197,643	9,615
Interest on Debt and Fiscal Fees	603,124	603,124	692,194	692,194
Other	1,417,963	1,415,617	1,396,108	1,395,795
	<u>\$ 21,588,236</u>	<u>\$ 17,494,565</u>	<u>\$ 22,561,433</u>	<u>\$ 19,003,029</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012

- The cost of all governmental activities for the year was \$21,588,236.
- Individuals who directly participated or benefited from a program offering paid for \$1,288,852 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,804,819.
- Net cost of governmental activities (\$17,494,565), were financed by general revenues, which are made up primarily of property taxes (\$9,323,348) and general aid (\$8,767,585).

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, 2012

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2012 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2012</u>	<u>Balance June 30, 2011</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 2,847,578	\$ 2,767,825	\$ 79,753
Debt Service Fund	1,903,164	2,164,407	(261,243)
Nonmajor Funds:			
Education Trust	31,931	29,334	2,597
Food Service Fund	18,680	20,490	(1,810)
Community Services Funds:			
Adult Education	6,549	9,383	(2,834)
Theatre	6,531	4,959	1,572
Day Care	42,030	38,633	3,397
	<u>\$ 4,856,463</u>	<u>\$ 5,035,031</u>	<u>\$ (178,568)</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 \$3,928,839 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 2012 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2012, the District had invested over \$39.5 million in a broad range of capital assets, including land, land improvements, buildings and equipment (see Table 4). This amount represents a net increase of \$428,782 from the previous year. Accumulated depreciation on these assets totaled \$17,517,522.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012

Table 4
Capital Assets

	June 30,		%
	2012	2011	
Land	\$ 380,300	\$ 380,300	0.0%
Land Improvements	2,056,400	2,055,570	0.0
Buildings and Improvements	31,069,391	31,059,682	0.0
Furniture and Equipment	6,059,047	5,640,804	7.4
Subtotal	39,565,138	39,136,356	1.1
Accumulated Depreciation	17,517,522	16,473,390	6.3
Total	<u>\$ 22,047,616</u>	<u>\$ 22,662,966</u>	-2.7

- Asset acquisitions during the year totaled \$622,735.
- The District disposed of \$193,953 of capital assets during the year.
- The District recognized depreciation expense of \$1,116,609 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 \$14.1 million in general obligation bonds and other long-term general obligation debt outstanding. The District also had other long-term obligations outstanding of approximately \$1.7 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.

Table 5
Outstanding Long-Term Obligations

	June 30,		%
	2012	2011	
Long-Term Debt			
General Obligation Debt	\$ 14,110,000	\$ 15,965,000	-11.6%
Other Long-Term Obligations			
Bond Premiums	48,438	68,287	-29.1
Bond Discounts	(10,791)	(12,263)	-12.0
Pension Benefits	23,023	-	n/a
Other Postemployment Benefits	780,419	639,529	22.0
Compensated Absences	841,904	826,408	1.9
Total	<u>\$ 15,792,993</u>	<u>\$ 17,486,961</u>	-9.7

- The District retired \$1,855,000 of outstanding general obligation debt during the year.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012

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 expired 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, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 4,038,332
Taxes Receivable	3,928,839
Accounts Receivable	9,104
Due from Other Governments	275,079
Due from Fiduciary Funds	508,313
Deferred Charges	354,026
Capital Assets:	
Capital Assets Not Being Depreciated	380,300
Capital Assets Being Depreciated	39,184,838
Accumulated Depreciation	<u>(17,517,522)</u>
Total Assets	31,161,309
LIABILITIES	
Short-Term Notes Payable	1,620,000
Accounts Payable	154,648
Accrued Interest Payable	119,574
Accrued Salaries and Wages	841,842
Payroll Taxes and Withholdings	1,225,259
Due to Other Governments	42,744
Unearned Revenue	18,448
Long-Term Liabilities:	
Amounts Due Within One Year	1,662,836
Amounts Due In More than One Year	<u>14,130,157</u>
Total Liabilities	<u>19,815,508</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	8,934,969
Restricted for:	
Debt Service	1,783,853
Food Service	18,680
Community Service	55,110
Unrestricted	<u>553,189</u>
Total Net Assets	<u>\$ 11,345,801</u>

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges For Services	Operating Grants and Contributions	Total Governmental Activities
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 8,536,004	\$ 485,480	\$ 1,172,399	\$ (6,878,125)
Vocational Instruction	709,338	32,791	1,960	(674,587)
Special Instruction	1,964,679	5,301	472,211	(1,487,167)
Other Instruction	824,283	94,738	195,200	(534,345)
Total Instruction	12,034,304	618,310	1,841,770	(9,574,224)
Support Services:				
Pupil Services	737,940	-	123,912	(614,028)
Instructional Staff Services	808,534	-	165,844	(642,690)
General Administration Services	679,505	-	49,045	(630,460)
Building Administration Services	921,949	-	-	(921,949)
Business Services	284,861	-	-	(284,861)
Operation and Maintenance of Plant	1,843,720	2,266	-	(1,841,454)
Pupil Transportation Services	1,063,335	1,077	137,662	(924,596)
Food Service	974,435	471,618	484,240	(18,577)
Central Services	224,590	-	-	(224,590)
Insurance and Judgments	203,882	-	-	(203,882)
Interest and Fiscal Fees	603,124	-	-	(603,124)
Other Support Services	204,260	-	2,346	(201,914)
Community Services	218,566	195,581	-	(22,985)
Depreciation - Unallocated *	785,231	-	-	(785,231)
Total Support Services	9,553,932	670,542	963,049	(7,920,341)
Total Primary Government	\$ 21,588,236	\$ 1,288,852	\$ 2,804,819	(17,494,565)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				7,119,844
Property Taxes, Levied for Debt Purposes				2,099,504
Property Taxes, Levied for Community Service Purposes				104,000
Other Taxes				18,824
State and Federal Aids Not Restricted to Specific Functions:				
General				8,767,585
Other				27,032
Interest and Investment Earnings				2,094
Miscellaneous				129,650
Total General Revenues				18,268,533
Change in Net Assets				773,968
Net Assets - Beginning of Year				10,571,833
Net Assets - End of Year				\$ 11,345,801

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

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
ASSETS				
Cash and Investments	\$ 2,041,182	\$ 1,900,464	\$ 96,686	\$ 4,038,332
Taxes Receivable	3,928,839	-	-	3,928,839
Accounts Receivable	7,486	-	1,618	9,104
Due from Other Governments	240,390	-	34,689	275,079
Due from Other Governmental Funds	-	2,700	-	2,700
Due from Fiduciary Funds	506,383	-	1,930	508,313
	<u>\$ 6,724,280</u>	<u>\$ 1,903,164</u>	<u>\$ 134,923</u>	<u>\$ 8,762,367</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Short-Term Notes Payable	\$ 1,620,000	\$ -	\$ -	\$ 1,620,000
Accounts Payable	143,894	-	10,754	154,648
Accrued Interest Payable	263	-	-	263
Accrued Salaries and Wages	841,842	-	-	841,842
Payroll Taxes and Withholdings	1,225,259	-	-	1,225,259
Due to Other Governments	42,744	-	-	42,744
Due to Other Governmental Funds	2,700	-	-	2,700
Deferred Revenues	-	-	18,448	18,448
Total Liabilities	<u>3,876,702</u>	<u>-</u>	<u>29,202</u>	<u>3,905,904</u>
Fund Balances:				
Restricted	-	1,903,164	73,790	1,976,954
Assigned	-	-	31,931	31,931
Unassigned	2,847,578	-	-	2,847,578
Total Fund Balances	<u>2,847,578</u>	<u>1,903,164</u>	<u>105,721</u>	<u>4,856,463</u>
Total Liabilities and Fund Balances	<u>\$ 6,724,280</u>	<u>\$ 1,903,164</u>	<u>\$ 134,923</u>	<u>\$ 8,762,367</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, 2012

Total Fund Balances - Governmental Funds \$ 4,856,463

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	\$ 39,565,138	
Accumulated Depreciation	<u>(17,517,522)</u>	22,047,616

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	14,110,000	
Accrued Interest Payable on Long-Term Debt	119,311	
Vested Employee Benefits	<u>1,645,346</u>	(15,874,657)

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

(37,647)

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

354,026

Net Assets of Governmental Activities \$ 11,345,801

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 7,119,844	\$ 2,099,504	\$ 104,000	\$ 9,323,348
Other Local Sources	213,359	590	719,716	933,665
Interdistrict Sources	370,904	-	-	370,904
Intermediate Sources	83,957	-	-	83,957
State Sources	9,953,298	-	19,935	9,973,233
Federal Sources	1,134,493	-	480,975	1,615,468
Other Sources	61,497	-	132	61,629
Total Revenues	<u>18,937,352</u>	<u>2,100,094</u>	<u>1,324,758</u>	<u>22,362,204</u>
EXPENDITURES				
Instruction:				
Regular Instruction	8,659,467	-	22,894	8,682,361
Vocational Instruction	690,769	-	-	690,769
Special Instruction	1,919,349	-	16,164	1,935,513
Other Instruction	808,466	-	3,052	811,518
Support Services:				
Pupil Services	728,326	-	1,469	729,795
Instructional Staff Services	801,598	-	-	801,598
General Administration	580,676	-	78,880	659,556
School Building Administration	945,237	-	1,525	946,762
Business Services	270,757	-	-	270,757
Operation and Maintenance of Plant	1,859,951	-	4,250	1,864,201
Pupil Transportation Services	1,012,307	-	-	1,012,307
Food Service	-	-	974,471	974,471
Central Services	206,495	-	565	207,060
Insurance and Judgments	203,882	-	-	203,882
Debt Service	7,448	2,361,337	-	2,368,785
Other Support Services	162,871	-	-	162,871
Community Services	-	-	218,566	218,566
Total Expenditures	<u>18,857,599</u>	<u>2,361,337</u>	<u>1,321,836</u>	<u>22,540,772</u>
NET CHANGE IN FUND BALANCES	79,753	(261,243)	2,922	(178,568)
Fund Balances, Beginning of Year	<u>2,767,825</u>	<u>2,164,407</u>	<u>102,799</u>	<u>5,035,031</u>
FUND BALANCES, END OF YEAR	<u>\$ 2,847,578</u>	<u>\$ 1,903,164</u>	<u>\$ 105,721</u>	<u>\$ 4,856,463</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, 2012**

Net Change in Fund Balances - Total Governmental Funds **\$ (178,568)**

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	\$ 622,735	
Depreciation Expense Reported in the Statement of Activities	<u>(1,116,609)</u>	(493,874)

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: (121,476)

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: 1,855,000

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	506,338	
Interest Accrued During the Current Period	<u>(494,245)</u>	12,093

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	(119,809)	
Amortization of Debt Premium	19,849	
Amortization of Debt Discount	(1,472)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>(197,775)</u>	<u>(299,207)</u>

Change in Net Assets of Governmental Activities **\$ 773,968**

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Investments	\$ 872,872	\$ 156,716	<u>\$ 131,023</u>
LIABILITIES			
Due to Governmental Funds	508,313	-	-
Due to Student Organizations	-	-	131,023
Total Liabilities	<u>508,313</u>	<u>-</u>	<u>\$ 131,023</u>
NET ASSETS			
Held In Trust	<u>\$ 364,559</u>	<u>\$ 156,716</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, 2012**

	Employee Benefit Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Local Sources:		
Interest	\$ 5,071	\$ 1,793
Other Sources	558,313	-
Total Additions	563,384	19,563
DEDUCTIONS		
Trust Fund Disbursements	508,313	27,051
CHANGE IN NET ASSETS	55,071	(7,488)
Net Assets, Beginning of Year	309,488	164,204
NET ASSETS, END OF YEAR	\$ 364,559	\$ 156,716

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, 2012

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, 2012

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

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

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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, 2012

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 2011 tax levy is used to finance operations of the District's fiscal year ended June 30, 2012. 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, 2012

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, 2012

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, 2012

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 are legally or contractually required to be maintained intact. Restricted fund balance represents amounts available for appropriation but intended for a specific use and is legally restricted by outside parties. Committed fund balance represents constraints on spending that the government imposes upon itself by high-level formal action prior to the close of the fiscal period. Assigned fund balance represents resources intended for spending for a purpose set by the government body itself or by some person or body delegated to exercise such authority in accordance with policy established by the board.

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

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

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, 2012**

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, 2012 were shown in the financial statements as follows:

Governmental Funds	\$ 4,038,332
Fiduciary Funds:	
Employee Benefit Trust Funds	872,872
Private Purpose Trust Funds	156,716
Agency Funds	131,023
	<u>\$ 5,198,943</u>

The above balances at June 30, 2012 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State Depository Coverage	\$ 4,324,939
Investment with State Local Government Pooled-Investment Fund	882
Deposits with Fiscal Agent (Employee Benefit Trust Funds)	872,872
Investment Trust Account (Trust Fund)	
Non-Depository Petty Cash Funds	250
	<u>\$ 5,198,943</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012, 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, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2012 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, 2012 was 57 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, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2012 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	2,055,570	830	-	2,056,400
Buildings and Improvements	31,059,682	9,709	-	31,069,391
Furniture and Equipment	5,640,804	612,196	(193,953)	6,059,047
Total Capital Assets, Being Depreciated	38,756,056	622,735	(193,953)	39,184,838
Accumulated Depreciation for				
Land Improvements	1,383,829	52,881	-	1,436,710
Buildings and Improvements	10,952,732	733,549	-	11,686,281
Furniture and Equipment	4,136,829	330,179	(72,477)	4,394,531
Total Accumulated Depreciation	16,473,390	1,116,609	(72,477)	17,517,522
Total Capital Assets, Being Depreciated, Net	22,282,666	(493,874)	(121,476)	21,667,316
Governmental Activities Capital Assets, Net	<u>\$ 22,282,666</u>	<u>\$ (493,874)</u>	<u>\$ (121,476)</u>	<u>\$ 22,047,616</u>

Depreciation was charged to governmental functions as follows:

Instruction:

Regular Instruction	\$ 129,081
Vocational Instruction	7,403
Special Instruction	8,269
Other Instruction	3,537

Support Services:

Pupil Services	681
Instructional Staff Services	155
General Administrative Services	11,926
Building Administrative Services	4,839
Business Services	8,375
Operation and Maintenance of Plant	11,086
Pupil Transportation Services	114,823
Food Service	21,044
Central Services	10,159

Unallocated Depreciation

Unallocated Depreciation	785,231
Total Depreciation for Governmental Activities	<u>\$ 1,116,609</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2012 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Employee Benefit Trust Fund	\$ 506,383	Trust Fund Contribution
Food Service	Employee Benefit Trust Fund	965	Trust Fund Contribution
Community Service	Employee Benefit Trust Fund	965	Trust Fund Contribution
Debt Service Fund	General Fund	2,700	Reimbursement for Agent Fees
		<u>\$ 511,013</u>	

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2012 were as follows:

	<u>Balances July 1, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2012</u>	<u>Amounts Due Within One Year</u>
General Obligation Bonds	\$ 14,720,000	\$ -	\$ 610,000	\$ 14,110,000	\$ 1,610,000
General Obligation Notes	1,245,000	-	1,245,000	-	-
Bond Premiums	68,287	-	19,849	48,438	-
Bond Discounts	(12,263)	-	(1,472)	(10,791)	-
Pension Benefits	-	44,553	21,530	23,023	-
Other Postemployment Benefits	639,529	664,371	523,481	780,419	-
Compensated Absences	826,408	61,623	46,127	841,904	52,836
	<u>\$ 17,486,961</u>	<u>\$ 770,547</u>	<u>\$ 2,464,515</u>	<u>\$ 15,792,993</u>	<u>\$ 1,662,836</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, 2012

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, 2012 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	\$ 8,380,000
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	3,340,000
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	1,035,000	1,035,000
					<u>\$ 14,110,000</u>

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2012 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,815,000	256,882	2,071,882
2018-2022	5,325,000	447,317	5,772,317
2023-2024	205,000	9,647	214,647
Total	<u>\$ 14,110,000</u>	<u>\$ 2,268,251</u>	<u>\$ 16,378,251</u>

The 2011 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$825,408,185. The legal debt limit and margin of indebtedness as of June 30, 2012 in accordance with Section 67103(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$825,408,185)	\$ 82,540,819
Deduct Long-Term Debt Applicable to Debt Margin	14,110,000
Margin of Indebtedness	<u>\$ 68,430,819</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 were as follows:

Principal Outstanding at 7/1/11	Loan Proceeds	Repayments	Principal Outstanding at 6/30/12	Accrued Interest 6/30/12	Interest Expense	Interest Rate	Maturity Date
\$ 785,000	\$ 3,213,000	\$ 2,378,000	\$ 1,620,000	\$ 263	\$ 5,723	4.25%	10/31/12

The District's temporary notes payable consists of a line of credit that has an outstanding maximum draw limit of \$3,213,000. 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.

Subsequent to year end the District obtained an extension to the line of credit. The maturity date on the extension is October 31, 2013 and bears interest at 4.25 percent.

F. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2012 consisted of the following:

	Total	Restricted	Assigned	Unassigned
Major Funds:				
General Fund	\$ 2,847,578	\$ -	\$ -	\$ 2,847,578
Debt Service Payments	1,903,164	1,903,164	-	-
Nonmajor Funds:				
Special Revenue Funds:				
Education Trust Purposes	31,931	-	31,931	-
Food Service Purposes	18,680	18,680	-	-
Community Services Programs:				
Adult Education Purposes	6,549	6,549	-	-
Theatre Purposes	6,531	6,531	-	-
Day Care Purposes	42,030	42,030	-	-
Subtotal Nonmajor Funds	<u>105,721</u>	<u>73,790</u>	<u>31,931</u>	<u>-</u>
Total Governmental Funds Balances at June 30, 2012	<u>\$ 4,856,463</u>	<u>\$ 1,976,954</u>	<u>\$ 31,931</u>	<u>\$ 2,847,578</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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 5.8% and 5.9% of their salary to the plan during 2011 and 2012, 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. Prior to August 1, 2011, employers generally made these contributions to the plan on behalf of employees. After August 1, 2011, employees are required to make at least half of the contribution.

The payroll for District employees covered by the WRS for the year ended June 30, 2012 was \$10,433,643, the employer's total payroll was \$10,649,907. The total contributions for the year ended June 30, 2012 were \$1,221,020, which consisted of \$610,510, or 5.85% of payroll from the employer and \$610,510, or 5.85% of payroll from employees. Total contributions for the years ending June 30, 2011 and June 30, 2010 were \$1,189,237 and \$1,093,418, 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, 2012

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 funds its OPEB obligation by paying actuarially determined amounts into a separate trust fund. For the year ended June 30, 2012, the District contributed \$523,481 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	\$ 674,489
Interest on Net OPEB Obligation	35,174
Adjustment to Annual Required Contribution	<u>(45,292)</u>
Annual OPEB Cost (Expense)	664,371
Contributions Made	<u>(523,481)</u>
Increase (Decrease) in Net OPEB Obligation	140,890
Net OPEB Obligation (Asset) - Beginning of Year	<u>639,529</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 780,419</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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 2012 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)
6/30/10	\$ 726,657	80.5%	\$ 423,652
6/30/11	657,136	67.1%	639,529
6/30/12	664,371	78.8%	780,419

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, 2012

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 on a 28 year open level dollar amount. The remaining amortization period at June 30, 2012 was 26 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 2012, the District contributed \$21,530 to the plan.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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	\$	62,604
Interest on Net Pension Obligation		(918)
Adjustment to Annual Required Contribution		1,233
Annual Pension Cost (Expense)		<u>62,919</u>
Contributions Made		<u>(21,530)</u>
Increase in Net Pension Obligation		41,389
Net Pension Obligation (Asset) - Beginning of Year		<u>(18,366)</u>
Net Pension Obligation (Asset) - End of Year	\$	<u><u>23,023</u></u>

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 2012 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)
6/30/10	\$ 50,675	42.5%	\$ 28,164
6/30/11	61,120	176.1%	(18,366)
6/30/12	62,919	34.2%	23,023

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

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 on a 28 year open level dollar basis. The remaining amortization period at June 30, 2012 was 26 years.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Compensated Absences

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

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

The District also provides associate staff retirees who meet certain age and length of service requirement, a cash payout of their unused sick leave at a rate of \$90 per day. The District's estimated liability for vacation and sick leave benefits at June 30, 2012 was \$29,287 and \$812,617, 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 \$523,481 during 2011-12. The annual required contribution was \$674,489 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 \$364,559 at June 30, 2012.

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.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 OTHER INFORMATION (CONTINUED)

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, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 7,119,844	\$ 7,119,844	\$ 7,119,844	\$ -
Other Local Sources	203,150	203,150	213,359	10,209
Interdistrict Sources	431,476	431,476	370,904	(60,572)
Intermediate Sources	46,156	46,156	83,957	37,801
State Sources	9,941,898	9,941,898	9,953,298	11,400
Federal Sources	1,114,129	1,114,479	1,134,493	20,014
Other Sources	99,250	198,280	61,497	(136,783)
Total Revenues	<u>18,955,903</u>	<u>19,055,283</u>	<u>18,937,352</u>	<u>(117,931)</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	4,079,562	4,079,562	4,069,942	9,620
Regular Curriculum	4,008,493	4,008,493	3,935,970	72,523
Vocational Curriculum	692,940	692,940	690,769	2,171
Physical Curriculum	515,842	515,842	510,034	5,808
Special Education Curriculum	1,851,221	1,851,221	1,852,455	(1,234)
Co-Curricular Activities	277,110	277,110	298,432	(21,322)
Other Special Needs	65,402	65,402	60,818	4,584
Total Instruction	<u>11,490,570</u>	<u>11,490,570</u>	<u>11,418,420</u>	<u>72,150</u>
Support Services:				
Pupil Services	743,138	743,138	728,326	14,812
Instructional Staff Services	914,794	914,794	801,598	113,196
General Administration	465,289	465,289	580,676	(115,387)
School Building Administration	920,667	920,667	945,237	(24,570)
Business Administration	3,211,606	3,211,606	3,147,478	64,128
Central Services	123,832	222,862	206,495	16,367
Insurance and Judgments	193,621	193,621	203,882	(10,261)
Debt Services	11,000	11,000	7,448	3,552
Other Support Services	218,110	218,110	158,408	59,702
Total Support Services	<u>6,802,057</u>	<u>6,901,087</u>	<u>6,779,548</u>	<u>121,539</u>
Non-Program:				
Purchased Instructional Services	661,126	661,126	659,631	1,495
Other Non-Program	2,500	2,500	-	2,500
Total Non-Program	<u>663,626</u>	<u>663,626</u>	<u>659,631</u>	<u>3,995</u>
Total Expenditures	<u>18,956,253</u>	<u>19,055,283</u>	<u>18,857,599</u>	<u>197,684</u>
NET CHANGE IN FUND BALANCE	(350)	-	79,753	79,753
Fund Balance, Beginning of Year	<u>2,767,825</u>	<u>2,767,825</u>	<u>2,767,825</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,767,475</u>	<u>\$ 2,767,825</u>	<u>\$ 2,847,578</u>	<u>\$ 79,753</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, 2012

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.

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, 2012

	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	\$ 7,119,844	\$ -	\$ -	\$ 7,119,844	\$ 7,119,844	\$ -	\$ -	\$ 7,119,844	\$ 7,119,844	\$ -	\$ -	\$ 7,119,844
Other Local Sources	203,150	-	-	203,150	203,150	-	-	203,150	213,359	-	-	213,359
Interdistrict Sources	403,684	27,792	-	431,476	403,684	27,792	-	431,476	366,324	4,580	-	370,904
Intermediate Sources	35,156	11,000	-	46,156	35,156	11,000	-	46,156	82,871	1,086	-	83,957
State Sources	9,370,643	571,255	-	9,941,898	9,370,643	571,255	-	9,941,898	9,416,150	537,148	-	9,953,298
Federal Sources	693,154	420,975	-	1,114,129	693,154	421,325	-	1,114,479	700,298	434,195	-	1,134,493
Other Sources	99,250	-	-	99,250	186,155	12,125	-	198,280	61,497	-	-	61,497
Total Revenues	17,924,881	1,031,022	-	18,955,903	18,011,786	1,043,497	-	19,055,283	17,960,343	977,009	-	18,937,352
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	4,079,562	-	-	4,079,562	4,079,562	-	-	4,079,562	4,069,942	-	-	4,069,942
Regular Curriculum	4,008,493	-	-	4,008,493	4,008,493	-	-	4,008,493	3,935,970	-	-	3,935,970
Vocational Curriculum	684,840	8,100	-	692,940	684,840	8,100	-	692,940	689,002	1,767	-	690,769
Physical Curriculum	515,842	-	-	515,842	515,842	-	-	515,842	510,034	-	-	510,034
Special Education Curriculum	-	1,851,221	-	1,851,221	-	1,851,221	-	1,851,221	-	1,852,455	-	1,852,455
Co-Curricular Activities	277,110	-	-	277,110	277,110	-	-	277,110	298,432	-	-	298,432
Other Special Needs	64,976	426	-	65,402	64,976	426	-	65,402	60,818	-	-	60,818
Total Instruction	9,630,823	1,859,747	-	11,490,570	9,630,823	1,859,747	-	11,490,570	9,564,198	1,854,222	-	11,418,420
Support Services:												
Pupil Services	507,432	235,706	-	743,138	507,432	235,706	-	743,138	506,364	221,962	-	728,326
Instructional Staff Services	686,188	228,606	-	914,794	686,188	228,606	-	914,794	578,972	222,626	-	801,598
General Administration	465,289	-	-	465,289	465,289	-	-	465,289	580,676	-	-	580,676
School Building Administration	920,667	-	-	920,667	920,667	-	-	920,667	945,237	-	-	945,237
Business Administration	3,121,240	90,366	-	3,211,606	3,121,240	90,366	-	3,211,606	3,044,319	103,159	-	3,147,478
Central Services	135,957	(12,125)	-	123,832	222,862	-	-	222,862	206,495	-	-	206,495
Insurance and Judgments	184,021	9,600	-	193,621	184,021	9,600	-	193,621	202,452	1,430	-	203,882
Debt Services	11,000	-	-	11,000	11,000	-	-	11,000	7,448	-	-	7,448
Other Support Services	218,110	-	-	218,110	218,110	-	-	218,110	158,408	-	-	158,408
Total Support Services	6,249,904	552,153	-	6,802,057	6,336,809	564,278	-	6,901,087	6,230,371	549,177	-	6,779,548
Non-Program:												
Purchased Instructional Services	644,695	16,431	-	661,126	644,695	16,431	-	661,126	653,555	6,076	-	659,631
Other Non-Program	2,500	-	-	2,500	2,500	-	-	2,500	-	-	-	-
Total Non-Program	647,195	16,431	-	663,626	647,195	16,431	-	663,626	653,555	6,076	-	659,631
Total Expenditures	16,527,922	2,428,331	-	18,956,253	16,614,827	2,440,456	-	19,055,283	16,448,124	2,409,475	-	18,857,599
EXCESS OF REVENUES OVER EXPENDITURES	1,396,959	(1,397,309)	-	(350)	1,396,959	(1,396,959)	-	-	1,512,219	(1,432,466)	-	79,753
OTHER FINANCING SOURCES (USES)												
Transfers In	-	1,396,959	(1,396,959)	-	-	1,396,959	(1,396,959)	-	-	1,432,466	(1,432,466)	-
Transfers Out	(1,396,959)	-	1,396,959	-	(1,396,959)	-	1,396,959	-	(1,432,466)	-	1,432,466	-
Total Other Financing Sources (Uses)	(1,396,959)	1,396,959	-	-	(1,396,959)	1,396,959	-	-	(1,432,466)	1,432,466	-	-
NET CHANGE IN FUND BALANCE	-	(350)	-	(350)	-	-	-	-	79,753	-	-	79,753
Fund Balance, Beginning of Year	2,767,825	-	-	2,767,825	2,767,825	-	-	2,767,825	2,767,825	-	-	2,767,825
FUND BALANCE, END OF YEAR	\$ 2,767,825	\$ (350)	\$ -	\$ 2,767,475	\$ 2,767,825	\$ -	\$ -	\$ 2,767,825	\$ 2,847,578	\$ -	\$ -	\$ 2,847,578

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Property Taxes	\$ 7,119,844	\$ 7,119,844	\$ 7,119,844	\$ -
Other Local Sources	203,150	203,150	213,359	10,209
Interdistrict Sources	403,684	403,684	366,324	(37,360)
Intermediate Sources	35,156	35,156	82,871	47,715
State Sources	9,370,643	9,370,643	9,416,150	45,507
Federal Sources	693,154	693,154	700,298	7,144
Other Sources	99,250	186,155	61,497	(124,658)
Total Revenues	<u>17,924,881</u>	<u>18,011,786</u>	<u>17,960,343</u>	<u>(51,443)</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	4,079,562	4,079,562	4,069,942	9,620
Regular Curriculum	4,008,493	4,008,493	3,935,970	72,523
Vocational Curriculum	684,840	684,840	689,002	(4,162)
Physical Curriculum	515,842	515,842	510,034	5,808
Co-Curricular Activities	277,110	277,110	298,432	(21,322)
Other Special Needs	64,976	64,976	60,818	4,158
Total Instruction	<u>9,630,823</u>	<u>9,630,823</u>	<u>9,564,198</u>	<u>66,625</u>
Support Services:				
Pupil Services	507,432	507,432	506,364	1,068
Instructional Staff Services	686,188	686,188	578,972	107,216
General Administration	465,289	465,289	580,676	(115,387)
School Building Administration	920,667	920,667	945,237	(24,570)
Business Administration	3,121,240	3,121,240	3,044,319	76,921
Central Services	135,957	222,862	206,495	16,367
Insurance and Judgments	184,021	184,021	202,452	(18,431)
Debt Services	11,000	11,000	7,448	3,552
Other Support Services	218,110	218,110	158,408	59,702
Total Support Services	<u>6,249,904</u>	<u>6,336,809</u>	<u>6,230,371</u>	<u>106,438</u>
Non-Program:				
Purchased Instructional Services	644,695	644,695	653,555	(8,860)
Other Non-Program	2,500	2,500	-	2,500
Total Non-Program	<u>647,195</u>	<u>647,195</u>	<u>653,555</u>	<u>(6,360)</u>
Total Expenditures	<u>16,527,922</u>	<u>16,614,827</u>	<u>16,448,124</u>	<u>166,703</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,396,959	1,396,959	1,512,219	115,260
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,396,959)	(1,396,959)	(1,432,466)	(35,507)
Total Other Financing Sources (Uses)	<u>(1,396,959)</u>	<u>(1,396,959)</u>	<u>(1,432,466)</u>	<u>(35,507)</u>
NET CHANGE IN FUND BALANCE	-	-	79,753	79,753
Fund Balance, Beginning of Year	2,767,825	2,767,825	2,767,825	-
FUND BALANCE, END OF YEAR	<u>\$ 2,767,825</u>	<u>\$ 2,767,825</u>	<u>\$ 2,847,578</u>	<u>\$ 79,753</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict Sources	\$ 27,792	\$ 27,792	\$ 4,580	\$ (23,212)
Intermediate Sources	11,000	11,000	1,086	(9,914)
State Sources	571,255	571,255	537,148	(34,107)
Federal Sources	420,975	421,325	434,195	12,870
Total Revenues	1,031,022	1,043,497	977,009	(66,488)
EXPENDITURES				
Instruction:				
Vocational Curriculum	8,100	8,100	1,767	6,333
Special Education Curriculum	1,851,221	1,851,221	1,852,455	(1,234)
Other Special Needs	426	426	-	426
Total Instruction	1,859,747	1,859,747	1,854,222	5,525
Support Services:				
Pupil Services	235,706	235,706	221,962	13,744
Instructional Staff Services	228,606	228,606	222,626	5,980
Business Administration	90,366	90,366	103,159	(12,793)
Insurance and Judgments	9,600	9,600	1,430	8,170
Total Support Services	552,153	564,278	549,177	15,101
Non-Program:				
Purchased Instructional Services	16,431	16,431	6,076	10,355
Total Expenditures	2,428,331	2,440,456	2,409,475	30,981
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,397,309)	(1,396,959)	(1,432,466)	(35,507)
OTHER FINANCING SOURCES				
Transfers In	1,396,959	1,396,959	1,432,466	35,507
NET CHANGE IN FUND BALANCE	(350)	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ (350)	\$ -	\$ -	\$ -

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services			
			Adult Education	Theatre	Day Care	
ASSETS						
Cash and Investments	\$ 31,931	\$ 10,610	\$ 5,584	\$ 6,531	\$ 42,030	\$ 96,686
Accounts Receivable	-	1,618	-	-	-	1,618
Due from Other Governments	-	34,689	-	-	-	34,689
Due from Fiduciary Funds	-	965	965	-	-	1,930
Total Assets	<u>\$ 31,931</u>	<u>\$ 47,882</u>	<u>\$ 6,549</u>	<u>\$ 6,531</u>	<u>\$ 42,030</u>	<u>\$ 134,923</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 10,754	\$ -	\$ -	\$ -	\$ 10,754
Deferred Revenues	-	18,448	-	-	-	18,448
Total Liabilities	<u>-</u>	<u>29,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,202</u>
Fund Balances:						
Restricted	-	18,680	6,549	6,531	42,030	73,790
Assigned	31,931	-	-	-	-	31,931
Total Fund Balances	<u>31,931</u>	<u>18,680</u>	<u>6,549</u>	<u>6,531</u>	<u>42,030</u>	<u>105,721</u>
Total Liabilities and Fund Balances	<u>\$ 31,931</u>	<u>\$ 47,882</u>	<u>\$ 6,549</u>	<u>\$ 6,531</u>	<u>\$ 42,030</u>	<u>\$ 134,923</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services			
			Adult Education	Theatre	Day Care	
REVENUES						
Local Sources:						
Property Taxes	\$ -	\$ -	\$ 92,000	\$ -	\$ 12,000	\$ 104,000
Other Local Sources	52,516	471,619	48,556	5,098	141,927	719,716
State Sources	-	19,935	-	-	-	19,935
Federal Sources	-	480,975	-	-	-	480,975
Other Sources	-	132	-	-	-	132
Total Revenues	<u>52,516</u>	<u>972,661</u>	<u>140,556</u>	<u>5,098</u>	<u>153,927</u>	<u>1,324,758</u>
EXPENDITURES						
Instruction:						
Regular Instruction	22,894	-	-	-	-	22,894
Special Instruction	16,164	-	-	-	-	16,164
Other Instruction	3,052	-	-	-	-	3,052
Support Services:						
Pupil Services	1,469	-	-	-	-	1,469
General Administration	-	-	78,880	-	-	78,880
School Building Administration	1,525	-	-	-	-	1,525
Operation and Maintenance of Plant	4,250	-	-	-	-	4,250
Food Service	-	974,471	-	-	-	974,471
Central Services	565	-	-	-	-	565
Community Services	-	-	64,510	3,526	150,530	218,566
Total Expenditures	<u>49,919</u>	<u>974,471</u>	<u>143,390</u>	<u>3,526</u>	<u>150,530</u>	<u>1,321,836</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,597	(1,810)	(2,834)	1,572	3,397	2,922
Fund Balances, Beginning of Year	<u>29,334</u>	<u>20,490</u>	<u>9,383</u>	<u>4,959</u>	<u>38,633</u>	<u>102,799</u>
FUND BALANCES, END OF YEAR	<u>\$ 31,931</u>	<u>\$ 18,680</u>	<u>\$ 6,549</u>	<u>\$ 6,531</u>	<u>\$ 42,030</u>	<u>\$ 105,721</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DEBT SERVICE FUND
DETAILED BALANCE SHEET
JUNE 30, 2012

	Referendum Debt Service	Non-Referendum Debt Service	Total
ASSETS			
Cash and Investments	\$ 1,816,251	\$ 84,213	\$ 1,900,464
Due from General Fund	2,700	-	2,700
Total Assets	\$ 1,818,951	\$ 84,213	\$ 1,903,164
LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund Balances:			
Restricted	1,818,951	84,213	1,903,164
Total Liabilities and Fund Balances	\$ 1,818,951	\$ 84,213	\$ 1,903,164

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

	Referendum Debt Service	Non-Referendum Debt Service	Total
REVENUES			
Local Sources:			
Property Taxes	\$ 1,987,761	\$ 111,743	\$ 2,099,504
Other Local Sources	590	-	590
Total Revenues	1,988,351	111,743	2,100,094
EXPENDITURES			
Debt Service:			
Principal Retirement	1,855,000	-	1,855,000
Interest and Fiscal Fees	476,836	29,501	506,337
Total Expenditures	2,331,836	29,501	2,361,337
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(343,485)	82,242	(261,243)
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	-	-	-
Principal Payments on Refinanced Debt	-	-	-
Total Other Financing Sources (Uses)	-	-	-
NET CHANGE IN FUND BALANCES	(343,485)	82,242	(261,243)
Fund Balances, Beginning of Year	2,162,436	1,971	2,164,407
FUND BALANCES, END OF YEAR	\$ 1,818,951	\$ 84,213	\$ 1,903,164

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
CHANGE IN BALANCES
YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
ASSETS				
Cash and Investments	<u>\$ 157,767</u>	<u>\$ 212,653</u>	<u>\$ 239,397</u>	<u>\$ 131,023</u>
LIABILITIES				
Accounts Payable	\$ 841	\$ -	\$ 841	\$ -
Due to Student Organizations:	<u>156,926</u>	<u>212,653</u>	<u>238,556</u>	<u>131,023</u>
Total Liabilities	<u>\$ 157,767</u>	<u>\$ 212,653</u>	<u>\$ 239,397</u>	<u>\$ 131,023</u>

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2011	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2012
<u>U.S. Department of Agriculture</u>					
Wisconsin Department of Public Instruction:					
School Breakfast Program:					
July 1, 2010 to June 30, 2011	10.553 {a}	\$ 15,906	\$ -	\$ 15,906	\$ -
July 1, 2011 to June 30, 2012		-	105,593	103,873	1,720
Food Donation:					
July 1, 2011 to June 30, 2012	10.555 {a}	-	54,936	54,936	-
National School Lunch Program:					
July 1, 2010 to June 30, 2011	10.555 {a}	42,120	-	42,120	-
July 1, 2011 to June 30, 2012		-	281,925	277,174	4,751
Summer Food Service Program:					
July 1, 2010 to June 30, 2011	10.559 {a}	17,615	-	17,615	-
July 1, 2011 to June 30, 2012		-	21,718	-	21,718
Fresh Fruit & Vegetable Program (FFVP)					
July 1, 2011 to June 30, 2012	10.582	-	16,803	10,304	6,499
Total Department of Agriculture		75,641	480,975	521,928	34,688
<u>U.S. Department of Education</u>					
Wisconsin Department of Public Instruction:					
ESEA Title I-A Basic Grant:					
July 1, 2011 to June 30, 2012	84.010 {b}	-	204,850	173,025	31,825
IDEA Flow Through:					
July 1, 2010 to June 30, 2011	84.027 {c}	80,293	-	80,293	-
July 1, 2011 to June 30, 2012		-	250,000	290,678	(40,678)
Vocational Education:					
July 1, 2010 to June 30, 2011	84.048	9,315	-	9,315	-
July 1, 2011 to June 30, 2012		-	7,555	7,555	-

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

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2012**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2011	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2012
U.S. Department of Education (Continued)					
Wisconsin Department of Public Instruction (Continued):					
IDEA Preschool Entitlement:					
July 1, 2010 to June 30, 2011	84.173 {c}	\$ 1,108	\$ -	\$ 1,108	\$ -
July 1, 2011 to June 30, 2012		-	13,009	13,009	-
Title III - Immigrant Child/Youth Grant:					
July 1, 2011 to June 30, 2012	84.365A	-	1,960	1,960	-
ESEA Title II-A Teacher and Principal Training and Recruiting Fund:					
July 1, 2010 to June 30, 2011	84.367	28,627	-	28,627	-
July 1, 2011 to June 30, 2012		-	76,881	59,515	17,366
ARRA - ESEA Title I-A:					
July 1, 2010 to June 30, 2011	84.389 {b}	5,903	-	5,903	-
July 1, 2011 to June 30, 2012		-	3,444	3,444	-
Wisconsin Department of Administration:					
Education Jobs Bill:					
July 1, 2011 to June 30, 2012	84.410	-	413,980	413,980	-
Total Department of Education		<u>125,246</u>	<u>971,679</u>	<u>1,088,412</u>	<u>8,513</u>
U.S. Department of Health and Human Services					
Wisconsin Department of Health and Family Services:					
Cooperative Educational Service Agency No. 11:					
Medical Assistance Program:					
July 1, 2010 to June 30, 2011	93.778 ***	799	171,186	153,510	18,475
Total Federal Program Awards		<u>\$ 201,686</u>	<u>\$ 1,623,840</u>	<u>\$ 1,763,850</u>	<u>\$ 61,676</u>

*** Tested as a State Major Program

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

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2012**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Accrued Receivable (Deferred Revenue) July 1, 2011	Expenditures	State Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2012
<u>Wisconsin Department of Public Instruction</u>					
Cost Reimbursement Programs - Nonmajor:					
Direct Grant:					
Mentoring Grants for Initial Educators	255.355	\$ -	\$ 1,950	\$ 1,950	\$ -
Total Cost Reimbursement Programs		<u>\$ -</u>	<u>\$ 1,950</u>	<u>1,950</u>	<u>\$ -</u>
<u>Wisconsin Department of Public Instruction</u>					
Entitlement Programs:					
Major State Programs:					
Handicapped Pupils and School Age Parents:	255.101	[1]		537,148	
Internal District Programs					
Less Other District's Portion				1,086	
Participant in Package Program at CESA No. 11				<u>538,234</u>	
Total Handicapped Program					
General Equalization	255.201			8,362,635	[2]
Special Adjustment Aid	255.203			404,950	
Student Achievement Guarantee in Education	255.504			<u>484,588</u>	
Total Major Programs				9,790,407	
Nonmajor State Programs:					
State Lunch	255.102			8,632	
Common School Fund	255.103			54,057	
Pupil Transportation	255.107			82,082	
Morning Milk Program	255.109			2,382	
School Breakfast Program	255.344			8,921	
Total Nonmajor Programs				<u>156,074</u>	
Total State Financial Assistance				<u>\$ 9,948,431</u>	

[1] District's 2011-12 Aidable Costs Reported to DPI Totaled \$2,105,828.

[2] Includes \$163,746 Receivable at 6/30/12.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2012

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).



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**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, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 11, 2012. 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 2012-01 through 2012-03 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.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 11, 2012



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE 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, 2012. 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, 2012.

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.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 11, 2012

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

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 2012-01 through 2012-03.
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 programs tested as major programs were:

CFDA #10.553, #10.555, and #10.559	Child Nutrition Cluster
CFDA #84.027 and #84.173	Special Education Cluster (IDEA)
CFDA #84.410	Education Jobs Fund (Ed Jobs)
- 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, 2012

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2012-01 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, 2012

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

FINDING: 2012-02 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, 2012

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

FINDING: 2012-03 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, 2012**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.