

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2013

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

INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Amery
Amery, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery, Wisconsin (District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery, Wisconsin as of June 30, 2013, and the respective changes in the financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information 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 to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Board of Education
School District of Amery

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2013 on our consideration of District's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Amery's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
October 30, 2013

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

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, 2013. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-13 fiscal year include the following:

- The assets of the District exceeded liabilities at the close of the fiscal year by \$12,082,506 (net position). Of this amount, \$9,782,384 represents net investment in capital assets, \$1,939,360 is for restricted purposes and the remaining balance of \$360,762 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$736,705 over the prior year.
- Net capital assets decreased by \$713,093 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 \$1,610,000 during the year. The District's other long-term obligations, including the current portions, increased \$158,498 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$3,647,312 of total revenues of \$21,970,015. General revenues accounted for \$18,322,703, including \$8,950,740 of property taxes and \$9,078,591 of general aid. General revenues accounted for 83.4% of all revenues.
- The District had a total of \$21,233,310 of expenses, of which \$3,647,312 were financed with program revenues.
- The total fund balance of the District's governmental funds increased \$92,396. The general fund had an increase of \$23,902, with an increase of \$44,385 in the debt service fund, and an increase of \$24,109 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, 2013

Government-Wide Financial Statements

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

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

Fund Financial Statements

The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements and/or to control and manage money for particular purposes. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements. Funds can be categorized into three categories: governmental funds, proprietary funds, and fiduciary funds. The District had no proprietary funds for the fiscal year ended June 30, 2013.

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

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

Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* for the general fund and debt service fund as these are considered to be major funds. Data for the education trust fund, the food service fund, 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, 2013

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

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

Notes of Financial Statements

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

FINANCIAL ANALYSIS

The District as a Whole

Net Position. Table 1, below, provides a summary of the District's net position for the fiscal year ended June 30, 2013, compared to the prior fiscal year.

Table 1
Condensed Statement of Net Position

	Governmental Activities	
	2013	2012
Current and Other Assets	\$ 8,989,479	\$ 9,113,693
Capital Assets	21,334,523	22,047,616
Total Assets	30,324,002	31,161,309
Current Liabilities	3,900,005	4,022,515
Long-Term Liabilities	14,341,491	15,792,993
Total Liabilities	18,241,496	19,815,508
Net Position:		
Net Investment in Capital Assets	9,782,384	8,934,969
Restricted	1,939,360	1,857,643
Unrestricted	360,762	553,189
Total Net Position	\$ 12,082,506	\$ 11,345,801

A significant portion of the District's net position (81.0%) 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, 2013

Restricted net position accounts for 16.1% of total net position. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20) on its general obligation debt. The restricted net position includes \$1,838,657 for this purpose.

Total liabilities decreased by \$1,574,012 during the year, including a net decrease of \$1,610,000 in outstanding general obligation debt.

The District's net position increased \$736,705 during the year. In addition, the District's unrestricted net position decreased \$192,427, decreasing the balance of the unrestricted component to \$360,762.

Change in Net Position. Table 2 shows the change in net position for the fiscal years 2013 and 2012:

Table 2
Change in Net Position

	Governmental Activities	
	2013	2012
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,238,999	\$ 1,288,852
Operating Grants and Contributions	2,408,313	2,804,819
General Revenues:		
Property Taxes	8,950,740	9,323,348
General Formula Aid	9,078,591	8,767,585
Other	293,372	177,600
Total Revenues	<u>21,970,015</u>	<u>22,362,204</u>
Expenses:		
Instruction	11,672,548	12,034,304
Pupil and Instructional Services	1,665,529	1,546,474
Administration and Business	1,908,693	1,886,315
Operation and Maintenance	1,917,729	1,843,720
Pupil Transportation	888,960	1,063,335
Food Service	947,392	974,435
Community Services	170,229	218,566
Interest on Debt and Fiscal Fees	548,557	603,124
Other	1,513,673	1,417,963
Total Expenses	<u>21,233,310</u>	<u>21,588,236</u>
Change in Net Position	736,705	773,968
Net Position - Beginning of Year	11,345,801	10,571,833
Net Position - End of Year	<u><u>\$ 12,082,506</u></u>	<u><u>\$ 11,345,801</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

As shown in Table 2, general revenues provided 83.4% of the funding required for governmental activities for fiscal year 2013 with property taxes providing 40.7% of the funding and general formula aid providing 41.3%. Program revenues, consisting of charges for services, grants and contributions, provided 16.6% 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:

	2013	2012
Subject to Revenue Limit:		
General Fund	\$ 6,736,173	\$ 7,119,844
Debt Service (Non-Referendum)	108,768	111,743
Not Subject to Revenue Limit:		
Debt Service	2,001,799	1,987,761
Community Service	104,000	104,000
	\$ 8,950,740	\$ 9,323,348

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 increased \$311,006 (3.5%) in 2013, from \$8,767,585 in 2012 to \$9,078,591 in 2013.

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.

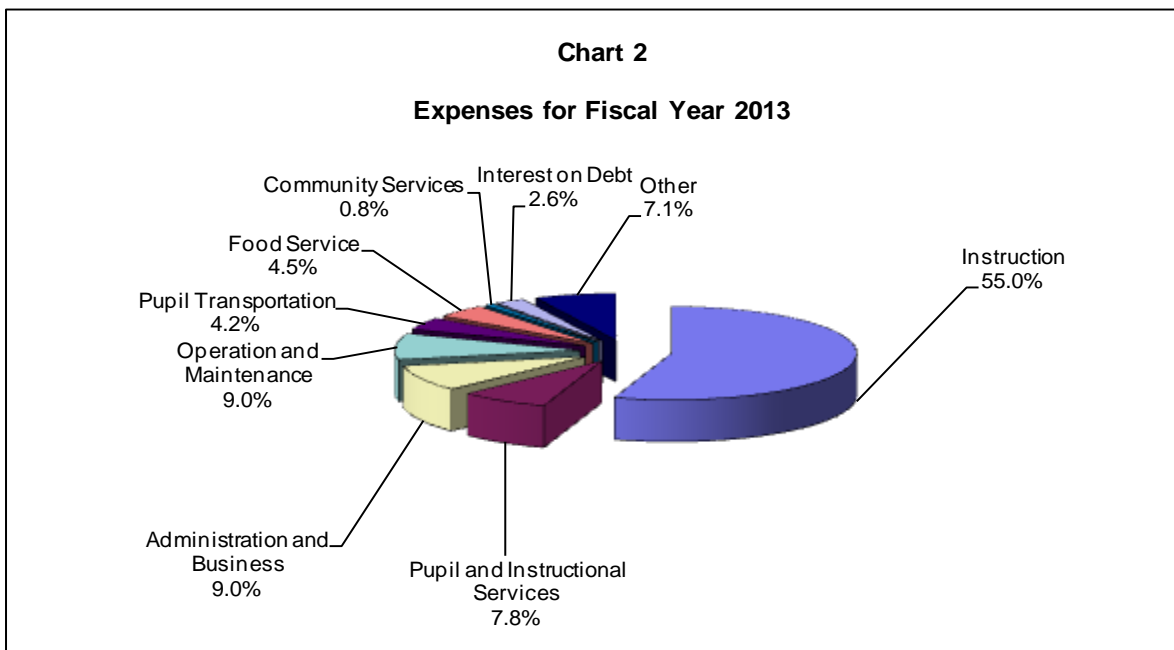
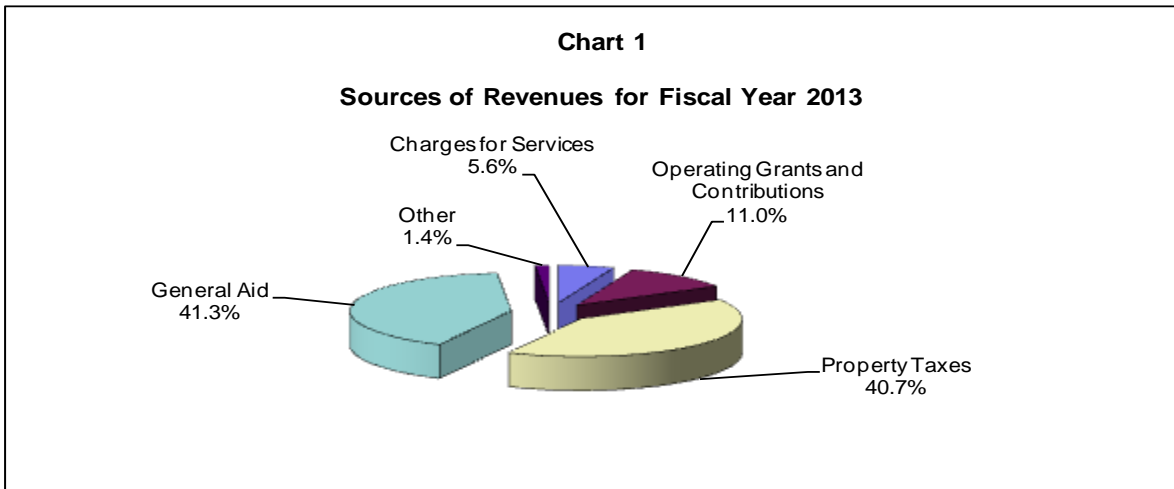
Table 3
Net Cost of Governmental Activities

<u>Expense Functions</u>	2013		2012	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 11,672,548	\$ 9,618,958	\$ 12,034,304	\$ 9,574,224
Pupil and Instructional Services	1,665,529	1,304,540	1,546,474	1,256,718
Administration and Business	1,908,693	1,908,693	1,886,315	1,837,270
Operations and Maintenance	1,917,729	1,914,741	1,843,720	1,841,454
Pupil Transportation	888,960	765,728	1,063,335	924,596
Food Service	947,392	17,043	974,435	18,577
Community Services	170,229	561	218,566	22,985
Interest on Debt and Fiscal Fees	548,557	548,557	603,124	603,124
Other	1,513,673	1,507,177	1,417,963	1,415,617
	\$ 21,233,310	\$ 17,585,998	\$ 21,588,236	\$ 17,494,565

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013

- The cost of all governmental activities for the year was \$21,233,310.
- Individuals who directly participated or benefited from a program offering paid for \$1,238,999 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,408,313.
- Net cost of governmental activities (\$17,585,998), were financed by general revenues, which are made up primarily of property taxes (\$8,950,740) and general aid (\$9,078,591).

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, 2013**

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2013 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2013</u>	<u>Balance June 30, 2012</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 2,871,480	\$ 2,847,578	\$ 23,902
Debt Service Fund	1,947,549	1,903,164	44,385
Nonmajor Funds:			
Education Trust	29,127	31,931	(2,804)
Food Service Fund	17,161	18,680	(1,519)
Community Services Funds:			
Adult Education	7,409	6,549	860
Theatre	5,425	6,531	(1,106)
Day Care	70,708	42,030	28,678
	<u>\$ 4,948,859</u>	<u>\$ 4,856,463</u>	<u>\$ 92,396</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 \$3,663,012 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 did not modify its original budget for fiscal year 2013 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 uses being less than budgeted.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2013, the District had invested over \$39.7 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 \$188,203 from the previous year. Accumulated depreciation on these assets totaled \$18,418,818.

**Table 4
Capital Assets**

	June 30,		%
	2013	2012	
Land	\$ 380,300	\$ 380,300	0.0%
Land Improvements	2,275,285	2,056,400	10.6
Buildings and Improvements	31,069,391	31,069,391	0.0
Furniture and Equipment	6,028,365	6,059,047	-0.5
Subtotal	<u>39,753,341</u>	<u>39,565,138</u>	0.5
Accumulated Depreciation	18,418,818	17,517,522	5.1
Total	<u>\$ 21,334,523</u>	<u>\$ 22,047,616</u>	-3.2

- Asset acquisitions during the year totaled \$711,753.
- The District disposed of \$583,550 of capital assets during the year.
- The District recognized depreciation expense of \$1,249,867 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 \$12.5 million in general obligation bonds and other long-term general obligation debt outstanding. The District also had other long-term obligations outstanding of approximately \$1.8 million (see Table 5).

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

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2013**

**Table 5
Outstanding Long-Term Obligations**

	June 30,		% Change
	2013	2012	
Long-Term Debt			
General Obligation Debt	\$ 12,500,000	\$ 14,110,000	-11.4%
Other Long-Term Obligations			
Bond Premiums	31,480	48,438	-35.0
Bond Discounts	(9,341)	(10,791)	-13.4
Pension Benefits	26,214	23,023	13.9%
Other Postemployment Benefits	948,438	780,419	21.5
Compensated Absences	844,700	841,904	0.3
Total	<u>\$ 14,341,491</u>	<u>\$ 15,792,993</u>	-9.2

- The District retired \$1,610,000 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.)

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact 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 POSITION
JUNE 30, 2013

	Governmental Activities
ASSETS	
Cash and Investments	\$ 4,164,544
Taxes Receivable	3,663,012
Accounts Receivable	3,460
Due from Other Governments	488,070
Due from Fiduciary Funds	399,759
Prepaid Expenses	21,127
Unamortized Debt Issuance Costs	249,507
Capital Assets:	
Capital Assets Not Being Depreciated	380,300
Capital Assets Being Depreciated	39,373,041
Accumulated Depreciation	(18,418,818)
Total Assets	30,324,002
LIABILITIES	
Short-Term Notes Payable	1,600,000
Accounts Payable	116,459
Accrued Interest Payable	108,892
Accrued Salaries and Wages	826,653
Payroll Taxes and Withholdings	1,232,531
Unearned Revenue	15,470
Long-Term Liabilities:	
Amounts Due Within One Year	1,730,011
Amounts Due In More than One Year	12,611,480
Total Liabilities	18,241,496
NET POSITION	
Net Investment in Capital Assets	9,782,384
Restricted for:	
Debt Service	1,838,657
Food Service	17,161
Community Service	83,542
Unrestricted	360,762
Total Net Position	\$ 12,082,506

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

Functions/Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 8,328,128	\$ 500,922	\$ 790,614	\$ (7,036,592)
Vocational Instruction	710,419	34,473	1,162	(674,784)
Special Instruction	1,902,789	2,010	641,431	(1,259,348)
Other Instruction	731,212	82,978	-	(648,234)
Total Instruction	<u>11,672,548</u>	<u>620,383</u>	<u>1,433,207</u>	<u>(9,618,958)</u>
Support Services:				
Pupil Services	784,788	-	119,977	(664,811)
Instructional Staff Services	880,741	-	241,012	(639,729)
General Administration Services	729,497	-	-	(729,497)
Building Administration Services	894,316	-	-	(894,316)
Business Services	284,880	-	-	(284,880)
Operation and Maintenance of Plant	1,917,729	2,988	-	(1,914,741)
Pupil Transportation Services	888,960	3,852	119,380	(765,728)
Food Service	947,392	442,108	488,241	(17,043)
Central Services	129,875	-	-	(129,875)
Insurance and Judgments	174,097	-	-	(174,097)
Interest and Fiscal Fees	548,557	-	-	(548,557)
Other Support Services	325,295	-	6,496	(318,799)
Community Services	170,229	169,668	-	(561)
Depreciation - Unallocated *	884,406	-	-	(884,406)
Total Support Services	<u>9,560,762</u>	<u>618,616</u>	<u>975,106</u>	<u>(7,967,040)</u>
Total Primary Government	<u>\$ 21,233,310</u>	<u>\$ 1,238,999</u>	<u>\$ 2,408,313</u>	<u>(17,585,998)</u>
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				6,736,173
Property Taxes, Levied for Debt Purposes				2,110,567
Property Taxes, Levied for Community Service Purposes				104,000
Other Taxes				16,969
State and Federal Aids Not Restricted to Specific Functions:				
General				9,078,591
Other				109,194
Interest and Investment Earnings				2,734
Miscellaneous				164,475
Total General Revenues				<u>18,322,703</u>
Change in Net Position				736,705
Net Position - Beginning of Year				11,345,801
Net Position - End of Year				<u>\$ 12,082,506</u>

* 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, 2013

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 2,108,085	\$ 1,944,849	\$ 111,610	\$ 4,164,544
Taxes Receivable	3,663,012	-	-	3,663,012
Accounts Receivable	3,460	-	-	3,460
Due from Other Governments	412,680	-	75,390	488,070
Due from Other Governmental Funds	31,350	2,700	-	34,050
Due from Fiduciary Funds	397,387	-	2,372	399,759
Prepaid Expenses	21,127	-	-	21,127
	\$ 6,637,101	\$ 1,947,549	\$ 189,372	\$ 8,774,022
LIABILITIES AND FUND BALANCES				
Liabilities:				
Short-Term Notes Payable	\$ 1,600,000	\$ -	\$ -	\$ 1,600,000
Accounts Payable	103,737	-	12,722	116,459
Accrued Salaries and Wages	826,653	-	-	826,653
Payroll Taxes and Withholdings	1,232,531	-	-	1,232,531
Due to Other Governmental Funds	2,700	-	31,350	34,050
Deferred Revenues	-	-	15,470	15,470
Total Liabilities	3,765,621	-	59,542	3,825,163
Fund Balances:				
Nonspendable	21,127	-	-	21,127
Restricted	-	1,947,549	100,703	2,048,252
Assigned	-	-	29,127	29,127
Unassigned	2,850,353	-	-	2,850,353
Total Fund Balances	2,871,480	1,947,549	129,830	4,948,859
Total Liabilities and Fund Balances	\$ 6,637,101	\$ 1,947,549	\$ 189,372	\$ 8,774,022

See accompanying Notes to Basic Financial Statements.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Total Fund Balances - Governmental Funds \$ 4,948,859

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

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

Capital Assets	\$ 39,753,341	
Accumulated Depreciation	<u>(18,418,818)</u>	21,334,523

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	12,500,000	
Accrued Interest Payable on Long-Term Debt	108,892	
Vested Employee Benefits	<u>1,819,352</u>	(14,428,244)

The premium and discount on debt issued is deferred in the statement of net position and amortized over the life of the related debt. In the governmental funds the premium is considered an other financing source when received

(22,139)

Debt issuance and refinancing costs are deferred in the statement of net position and amortized over the life of the related debt. In the governmental funds these costs are considered expenditures/other financing uses when incurred

249,507

Net Position of Governmental Activities **\$ 12,082,506**

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 6,736,173	\$ 2,110,567	\$ 104,000	\$ 8,950,740
Other Local Sources	182,068	224	675,435	857,727
Interdistrict Sources	378,275	-	-	378,275
Intermediate Sources	110,066	-	-	110,066
State Sources	10,369,875	-	20,301	10,390,176
Federal Sources	727,928	-	467,828	1,195,756
Other Sources	87,164	-	111	87,275
Total Revenues	<u>18,591,549</u>	<u>2,110,791</u>	<u>1,267,675</u>	<u>21,970,015</u>
EXPENDITURES				
Instruction:				
Regular Instruction	8,281,470	-	25,671	8,307,141
Vocational Instruction	713,271	-	-	713,271
Special Instruction	1,839,263	-	34,951	1,874,214
Other Instruction	759,796	-	2,303	762,099
Support Services:				
Pupil Services	774,907	-	-	774,907
Instructional Staff Services	871,235	-	-	871,235
General Administration	646,350	-	75,007	721,357
School Building Administration	880,284	-	2,317	882,601
Business Services	273,233	-	-	273,233
Operation and Maintenance of Plant	1,918,130	-	1,069	1,919,199
Pupil Transportation Services	911,993	-	-	911,993
Food Service	-	-	931,868	931,868
Central Services	184,764	-	151	184,915
Insurance and Judgments	174,097	-	-	174,097
Debt Service	13,559	2,066,406	-	2,079,965
Other Support Services	325,295	-	-	325,295
Community Services	-	-	170,229	170,229
Total Expenditures	<u>18,567,647</u>	<u>2,066,406</u>	<u>1,243,566</u>	<u>21,877,619</u>
NET CHANGE IN FUND BALANCES	23,902	44,385	24,109	92,396
Fund Balances, Beginning of Year	<u>2,847,578</u>	<u>1,903,164</u>	<u>105,721</u>	<u>4,856,463</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 2,871,480</u></u>	<u><u>\$ 1,947,549</u></u>	<u><u>\$ 129,830</u></u>	<u><u>\$ 4,948,859</u></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, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ 92,396

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

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is: 1,610,000

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	456,405	
Interest Accrued During the Current Period	<u>(445,986)</u>	10,419

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	(104,519)	
Amortization of Debt Premium	16,958	
Amortization of Debt Discount	(1,450)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>(174,006)</u>	<u>(263,017)</u>

Change in Net Position of Governmental Activities \$ 736,705

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Investments	\$ 825,263	\$ 155,943	<u>\$ 132,252</u>
LIABILITIES			
Due to Governmental Funds	399,759	-	\$ -
Due to Student Organizations	<u>-</u>	<u>-</u>	<u>132,252</u>
Total Liabilities	<u>399,759</u>	<u>-</u>	<u>\$ 132,252</u>
NET POSITION			
Held In Trust	<u>\$ 425,504</u>	<u>\$ 155,943</u>	

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013**

	<u>Employee Benefit Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Local Sources:		
Interest	\$ 10,945	\$ 1,027
Gifts	-	19,400
Other Sources	449,759	-
Total Additions	<u>460,704</u>	<u>20,427</u>
DEDUCTIONS		
Trust Fund Disbursements	<u>399,759</u>	<u>21,200</u>
CHANGE IN NET POSITION	60,945	(773)
Net Position, Beginning of Year	<u>364,559</u>	<u>156,716</u>
NET POSITION, END OF YEAR	<u><u>\$ 425,504</u></u>	<u><u>\$ 155,943</u></u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

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

B. Reporting Entity

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

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

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

C. Government-Wide and Fund Financial Statements

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

Government-Wide Statements

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013

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 position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

The 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, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments

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

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

Donations to the District of securities or other property are 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, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

Property Taxes (Continued). Property taxes are recognized as revenue in the period for which taxes are levied. The 2012 tax levy is used to finance operations of the District's fiscal year ended June 30, 2013. 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, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$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, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, and Net Position 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 position and revenues/expenses shown in the government-wide financial statements are presented on pages 16 and 18, respectively.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 were shown in the financial statements as follows:

Governmental Funds	\$ 4,164,544
Fiduciary Funds:	
Employee Benefit Trust Funds	825,263
Private Purpose Trust Funds	155,943
Agency Funds	132,252
	\$ 5,278,002

The above balances at June 30, 2013 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State Depository Coverage	\$ 4,451,606
Investment with State Local Government Pooled-Investment Fund	883
Deposits with Fiscal Agent (Employee Benefit Trust Funds)	825,263
Non-Depository Petty Cash Funds	250
	\$ 5,278,002

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 aggregate for all accounts at a particular financial institution. 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, 2013, the District's deposits were not exposed to custodial credit risk.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions (Continued)

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.

Investments

The District's investments at June 30, 2013 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, 2013 was 59 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, 2013

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Capital Assets

Changes in the capital assets for the year ended June 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 380,300	\$ -	\$ -	\$ 380,300
Capital Assets, Being Depreciated				
Land Improvements	2,056,400	218,885	-	2,275,285
Buildings and Improvements	31,069,391	-	-	31,069,391
Furniture and Equipment	<u>6,059,047</u>	<u>552,868</u>	<u>(583,550)</u>	<u>6,028,365</u>
Total Capital Assets, Being Depreciated	39,184,838	771,753	(583,550)	39,373,041
Accumulated Depreciation for				
Land Improvements	1,436,710	162,709	-	1,599,419
Buildings and Improvements	11,686,281	733,349	-	12,419,630
Furniture and Equipment	<u>4,394,531</u>	<u>353,809</u>	<u>(348,571)</u>	<u>4,399,769</u>
Total Accumulated Depreciation	<u>17,517,522</u>	<u>1,249,867</u>	<u>(348,571)</u>	<u>18,418,818</u>
Total Capital Assets, Being Depreciated, Net	<u>21,667,316</u>	<u>(478,114)</u>	<u>(234,979)</u>	<u>20,954,223</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,047,616</u>	<u>\$ (478,114)</u>	<u>\$ (234,979)</u>	<u>\$ 21,334,523</u>

Depreciation was charged to governmental functions as follows:

Instruction:	
Regular Instruction	\$ 164,180
Vocational Instruction	8,244
Special Instruction	5,456
Other Instruction	8,403
Support Services:	
Pupil Services	496
Instructional Staff Services	156
General Administrative Services	11,635
Building Administrative Services	4,873
Business Services	8,375
Operation and Maintenance of Plant	11,995
Pupil Transportation Services	110,130
Food Service	21,306
Central Services	10,212
Unallocated Depreciation	884,406
Total Depreciation for Governmental Activities	<u>\$ 1,249,867</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2013 was as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Food Service Fund	\$ 31,350	Cash Flow
General Fund	Employee Benefit Trust Fund	397,387	Trust Fund Contribution
Food Service	Employee Benefit Trust Fund	1,186	Trust Fund Contribution
Community Service	Employee Benefit Trust Fund	1,186	Trust Fund Contribution
Debt Service Fund	General Fund	2,700	Reimbursement for Agent Fees
		<u>\$ 433,809</u>	

D. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2013 were as follows:

	<u>Balances</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2013</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 14,110,000	\$ -	\$ 1,610,000	\$ 12,500,000	\$ 1,675,000
Bond Premiums	48,438	-	16,958	31,480	-
Bond Discounts	(10,791)	-	(1,450)	(9,341)	-
Pension Benefits	23,023	46,251	43,060	26,214	-
Other Postemployment Benefits	780,419	563,489	395,470	948,438	-
Compensated Absences	841,904	21,737	18,941	844,700	55,011
	<u>\$ 15,792,993</u>	<u>\$ 631,477</u>	<u>\$ 2,082,979</u>	<u>\$ 14,341,491</u>	<u>\$ 1,730,011</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, 2013

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, 2013 and future principal and interest requirements for their retirement at that date were as follows:

	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>
General Obligation Bonds:					
Refunding Bonds	4/1/05	10/1/20	3.25% - 4.15%	\$ 8,500,000	\$ 7,805,000
Refunding Bonds	10/14/09	10/1/17	2.00% - 3.25%	1,355,000	1,170,000
Refunding Bonds	4/1/10	10/1/16	2.00% - 2.50%	3,445,000	2,555,000
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	1,035,000	970,000
					<u>\$ 12,500,000</u>

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2013 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	256,883	2,071,883
2018	1,910,000	186,021	2,096,021
2019-2023	3,515,000	268,503	3,783,503
2024	105,000	2,440	107,440
Total	<u>\$ 12,500,000</u>	<u>\$ 1,811,846</u>	<u>\$ 14,311,846</u>

The 2012 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$822,343,952. The legal debt limit and margin of indebtedness as of June 30, 2013 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$822,343,952)	\$ 82,234,395
Deduct Long-Term Debt Applicable to Debt Margin	12,500,000
Margin of Indebtedness	<u>\$ 69,734,395</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 were as follows:

Principal Outstanding at 7/1/12	Loan Proceeds	Repayments	Principal Outstanding at 6/30/13	Accrued Interest 6/30/13	Interest Expense	Interest Rate	Maturity Date
\$ 1,620,000	\$ 1,825,000	\$ 1,845,000	\$ 1,600,000	\$ -	\$ 11,834	4.25%	10/31/13

The District's temporary notes payable consists of a line of credit that has an outstanding maximum draw limit of \$1,825,000. 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, 2013 consisted of the following:

	Total	Nonspendable	Restricted	Assigned	Unassigned
Major Funds:					
General Fund					
Prepaid Items	\$ 21,127	\$ 21,127	\$ -	\$ -	\$ -
Unassigned	2,850,353	-	-	-	2,850,353
Subtotal General Fund	2,871,480	21,127	-	-	2,850,353
Debt Service Payments	1,947,549	-	1,947,549	-	-
Nonmajor Funds:					
Special Revenue Funds:					
Education Trust Purposes	29,127	-	-	29,127	-
Food Service Purposes	17,161	-	17,161	-	-
Community Services Programs:					
Adult Education Purposes	7,409	-	7,409	-	-
Theatre Purposes	5,425	-	5,425	-	-
Day Care Purposes	70,708	-	70,708	-	-
Subtotal Nonmajor Funds	129,830	-	100,703	29,127	-
Total Governmental Funds Balances at June 30, 2013	<u>\$ 4,948,859</u>	<u>\$ 21,127</u>	<u>\$ 2,048,252</u>	<u>\$ 29,127</u>	<u>\$ 2,850,353</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 OTHER INFORMATION

A. Employee Retirement Plan

All eligible School District of Amery employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the pay period on or after June 29, 2011 the employee required contribution was change to one-half of the actuarially determined contribution rate for General category employees and Teachers. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provide for an existing collective bargaining agreement. Contribution rates for 2012 and 2013 are as follows:

	2012		2013	
	Employee	Employer	Employee	Employer
General	5.90%	5.90%	6.65%	6.65%
Teachers	5.90%	5.90%	6.65%	6.65%

The payroll for District employees covered by the WRS for the year ended June 30, 2013 was \$10,383,232, the employer's total payroll was \$10,667,392. The total contributions for the year ended June 30, 2013 were \$1,305,394, which consisted of \$652,696, or 6.29% of payroll from the employer and \$652,696, or 6.29% of payroll from employees. Total contributions for the years ending June 30, 2012 and June 30, 2011 were \$1,221,020 and \$1,189,237, respectively, equal to the required contributions for each year.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Employee Retirement Plan (Continued)

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.

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 144 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, 2013, the District contributed \$395,470 to the plan.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Plan (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

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	\$ 578,757
Interest on Net OPEB Obligation	39,021
Adjustment to Annual Required Contribution	<u>(54,289)</u>
Annual OPEB Cost (Expense)	563,489
Contributions Made	<u>(395,470)</u>
Increase (Decrease) in Net OPEB Obligation	168,019
Net OPEB Obligation (Asset) - Beginning of Year	<u>780,419</u>
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 948,438</u></u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 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)
6/30/11	\$ 657,136	67.1%	\$ 639,529
6/30/12	664,371	78.8%	780,419
6/30/13	563,489	70.2%	948,438

Funded Status and Funding Progress

As of July 1, 2012, the most recent actuarial valuation date, the District's actuarial accrued liability (UAAL) was \$5,461,852, and the actuarial value of assets was \$367,273, resulting in an unfunded actuarial accrued liability of \$5,094,579. The funded status as of July 1, 2012 was 7%. The annual payroll for active employees covered by the plan was \$8,051,764 for a ratio of UAAL to covered payroll of 63.3%.

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, 2013

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, 2012 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 initial healthcare trend rate was 10.0%, reduced by decrements to an ultimate rate of 5.0% by the year 2018. The UAAL is being amortized on a 26 year open level dollar amount. The remaining amortization period at June 30, 2013 was 25 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 130 possible participants under this plan.

Funding Policy

The District funds its pension obligation on a pay-as-you-go basis. For fiscal year 2013, the District contributed \$43,060 to the plan.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Annual Pension Cost and Net Pension Asset

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

Annual Required Contribution	\$	46,773
Interest on Net Pension Obligation		914
Adjustment to Annual Required Contribution		<u>(1,436)</u>
Annual Pension Cost (Expense)		46,251
Contributions Made		<u>(43,060)</u>
Increase in Net Pension Obligation		3,191
Net Pension Obligation (Asset) - Beginning of Year		<u>23,023</u>
Net Pension Obligation (Asset) - End of Year	\$	<u><u>26,214</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 2013 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)
6/30/11	\$ 61,120	176.1%	\$ (18,366)
6/30/12	62,919	34.2%	23,023
6/30/13	46,251	93.1%	26,214

As of July 1, 2012, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$427,834. The annual payroll for active employees covered by the plan was \$8,051,764 for a ratio of UAAL to covered payroll of 5.3%.

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplement Pension Plan (Continued)

Actuarial Methods and Assumptions

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.97% 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 26 year open level dollar basis. The remaining amortization period at June 30, 2013 was 25 years.

D. Compensated Absences

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

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

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, 2013 was \$30,104 and \$814,596, 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 \$395,470 during 2012-13. The annual required contribution was \$578,757 as estimated under a process that utilizes an actuarial cost method and actuarial assumptions to project future benefit payments. The employee benefit trust fund had net position of \$425,504 at June 30, 2013.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 4 OTHER INFORMATION (CONTINUED)

F. Limitation on School District Revenues

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

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

G. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. There have been no reductions in coverage during the past year and settled claims have not exceeded this commercial coverage in any of the last three years.

REQUIRED SUPPLEMENTARY INFORMATION

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Property Taxes	\$ 6,736,173	\$ 6,736,173	\$ 6,736,173	\$ -
Other Local Sources	206,075	206,075	182,068	(24,007)
Interdistrict Sources	407,090	407,090	378,275	(28,815)
Intermediate Sources	58,632	58,632	110,066	51,434
State Sources	10,316,940	10,316,940	10,369,875	52,935
Federal Sources	735,791	735,791	727,928	(7,863)
Other Sources	99,000	99,000	87,164	(11,836)
Total Revenues	<u>18,559,701</u>	<u>18,559,701</u>	<u>18,591,549</u>	<u>31,848</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,856,344	3,856,344	3,826,953	29,391
Regular Curriculum	3,903,727	3,903,727	3,759,806	143,921
Vocational Curriculum	654,146	654,146	713,271	(59,125)
Physical Curriculum	479,155	479,155	466,308	12,847
Special Education Curriculum	1,797,154	1,797,154	1,715,354	81,800
Co-Curricular Activities	283,635	283,635	293,488	(9,853)
Other Special Needs	104,384	104,384	112,321	(7,937)
Total Instruction	<u>11,078,545</u>	<u>11,078,545</u>	<u>10,887,501</u>	<u>191,044</u>
Support Services:				
Pupil Services	750,314	750,314	774,907	(24,593)
Instructional Staff Services	922,193	922,193	871,235	50,958
General Administration	506,675	506,675	646,350	(139,675)
School Building Administration	880,411	880,411	880,284	127
Business Administration	3,153,059	3,153,059	3,108,026	45,033
Central Services	223,349	223,349	184,764	38,585
Insurance and Judgments	180,864	180,864	174,097	6,767
Debt Services	7,200	7,200	13,559	(6,359)
Other Support Services	187,432	187,432	320,625	(133,193)
Total Support Services	<u>6,811,497</u>	<u>6,811,497</u>	<u>6,973,847</u>	<u>(162,350)</u>
Non-Program:				
Purchased Instructional Services	667,159	667,159	706,299	(39,140)
Other Non-Program	2,500	2,500	-	2,500
Total Non-Program	<u>669,659</u>	<u>669,659</u>	<u>706,299</u>	<u>(36,640)</u>
Total Expenditures	<u>18,559,701</u>	<u>18,559,701</u>	<u>18,567,647</u>	<u>(7,946)</u>
NET CHANGE IN FUND BALANCE	-	-	23,902	23,902
Fund Balance, Beginning of Year	<u>2,847,578</u>	<u>2,847,578</u>	<u>2,847,578</u>	-
FUND BALANCE, END OF YEAR	<u>\$ 2,847,578</u>	<u>\$ 2,847,578</u>	<u>\$ 2,871,480</u>	<u>\$ 23,902</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FUNDING PROGRESS AND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Funding Progress

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

Employer Contributions

	Year End	Annual Required Contributions	Total Contributions	Percentage Contributed
Other Postemployment Benefits:				
	6/30/09	\$ 717,283	\$ 435,064	60.7%
	6/30/10	728,198	585,224	80.5%
	6/30/11	662,985	441,259	67.1%
	6/30/12	674,489	523,481	78.8%
	6/30/13	578,757	395,470	70.2%
Pension:				
	6/30/09	\$ 52,831	\$ 53,825	101.9%
	6/30/10	50,675	21,530	42.5%
	6/30/11	61,544	107,650	42.5%
	6/30/12	62,604	21,530	34.2%
	6/30/13	46,773	43,060	93.1%

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

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, 2013

	Original Budgets				Final Budgets				Actuals			
	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals
	General	Special			General	Special			General	Special		
	Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments	
REVENUES												
Local Sources:												
Property Taxes	\$ 6,736,173	\$ -	\$ -	\$ 6,736,173	\$ 6,736,173	\$ -	\$ -	\$ 6,736,173	\$ 6,736,173	\$ -	\$ -	\$ 6,736,173
Other Local Sources	206,075	-	-	206,075	206,075	-	-	206,075	182,068	-	-	182,068
Interdistrict Sources	402,090	5,000	-	407,090	402,090	5,000	-	407,090	377,437	838	-	378,275
Intermediate Sources	57,549	1,083	-	58,632	57,549	1,083	-	58,632	109,062	1,004	-	110,066
State Sources	9,769,425	547,515	-	10,316,940	9,769,425	547,515	-	10,316,940	9,791,462	578,413	-	10,369,875
Federal Sources	329,960	405,831	-	735,791	329,960	405,831	-	735,791	329,785	398,143	-	727,928
Other Sources	99,000	-	-	99,000	99,000	-	-	99,000	87,164	-	-	87,164
Total Revenues	17,600,272	959,429	-	18,559,701	17,600,272	959,429	-	18,559,701	17,613,151	978,398	-	18,591,549
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	3,856,344	-	-	3,856,344	3,856,344	-	-	3,856,344	3,826,953	-	-	3,826,953
Regular Curriculum	3,903,727	-	-	3,903,727	3,903,727	-	-	3,903,727	3,759,806	-	-	3,759,806
Vocational Curriculum	652,146	2,000	-	654,146	652,146	2,000	-	654,146	712,109	1,162	-	713,271
Physical Curriculum	479,155	-	-	479,155	479,155	-	-	479,155	466,308	-	-	466,308
Special Education Curriculum	-	1,797,154	-	1,797,154	-	1,797,154	-	1,797,154	-	1,715,354	-	1,715,354
Co-Curricular Activities	283,635	-	-	283,635	283,635	-	-	283,635	293,488	-	-	293,488
Other Special Needs	103,958	426	-	104,384	103,958	426	-	104,384	112,321	-	-	112,321
Total Instruction	9,278,965	1,799,580	-	11,078,545	9,278,965	1,799,580	-	11,078,545	9,170,985	1,716,516	-	10,887,501
Support Services:												
Pupil Services	516,964	233,350	-	750,314	516,964	233,350	-	750,314	512,495	262,412	-	774,907
Instructional Staff Services	669,817	252,376	-	922,193	669,817	252,376	-	922,193	643,672	227,563	-	871,235
General Administration	506,675	-	-	506,675	506,675	-	-	506,675	646,350	-	-	646,350
School Building Administration	880,411	-	-	880,411	880,411	-	-	880,411	880,284	-	-	880,284
Business Administration	3,066,019	87,040	-	3,153,059	3,066,019	87,040	-	3,153,059	3,035,466	72,560	-	3,108,026
Central Services	223,349	-	-	223,349	223,349	-	-	223,349	184,764	-	-	184,764
Insurance and Judgments	178,864	2,000	-	180,864	178,864	2,000	-	180,864	174,097	-	-	174,097
Debt Services	7,200	-	-	7,200	7,200	-	-	7,200	13,559	-	-	13,559
Other Support Services	187,432	-	-	187,432	187,432	-	-	187,432	320,625	-	-	320,625
Total Support Services	6,236,731	574,766	-	6,811,497	6,236,731	574,766	-	6,811,497	6,411,312	562,535	-	6,973,847
Non-Program:												
Purchased Instructional Services	660,674	6,485	-	667,159	660,674	6,485	-	667,159	694,711	11,588	-	706,299
Other Non-Program	2,500	-	-	2,500	2,500	-	-	2,500	-	-	-	-
Total Non-Program	663,174	6,485	-	669,659	663,174	6,485	-	669,659	694,711	11,588	-	706,299
Total Expenditures	16,178,870	2,380,831	-	18,559,701	16,178,870	2,380,831	-	18,559,701	16,277,008	2,290,639	-	18,567,647
EXCESS OF REVENUES OVER EXPENDITURES	1,421,402	(1,421,402)	-	-	1,421,402	(1,421,402)	-	-	1,336,143	(1,312,241)	-	23,902
OTHER FINANCING SOURCES (USES)												
Transfers In	-	1,421,402	(1,421,402)	-	-	1,421,402	(1,421,402)	-	-	1,312,241	(1,312,241)	-
Transfers Out	(1,421,402)	-	1,421,402	-	(1,421,402)	-	1,421,402	-	(1,312,241)	-	1,312,241	-
Total Other Financing Sources (Uses)	(1,421,402)	1,421,402	-	-	(1,421,402)	1,421,402	-	-	(1,312,241)	1,312,241	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	23,902	-	-	23,902
Fund Balance, Beginning of Year	2,847,578	-	-	2,847,578	2,847,578	-	-	2,847,578	2,847,578	-	-	2,847,578
FUND BALANCE, END OF YEAR	\$ 2,847,578	\$ -	\$ -	\$ 2,847,578	\$ 2,847,578	\$ -	\$ -	\$ 2,847,578	\$ 2,871,480	\$ -	\$ -	\$ 2,871,480

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 6,736,173	\$ 6,736,173	\$ 6,736,173	\$ -
Other Local Sources	206,075	206,075	182,068	(24,007)
Interdistrict Sources	402,090	402,090	377,437	(24,653)
Intermediate Sources	57,549	57,549	109,062	51,513
State Sources	9,769,425	9,769,425	9,791,462	22,037
Federal Sources	329,960	329,960	329,785	(175)
Other Sources	99,000	99,000	87,164	(11,836)
Total Revenues	<u>17,600,272</u>	<u>17,600,272</u>	<u>17,613,151</u>	<u>12,879</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,856,344	3,856,344	3,826,953	29,391
Regular Curriculum	3,903,727	3,903,727	3,759,806	143,921
Vocational Curriculum	652,146	652,146	712,109	(59,963)
Physical Curriculum	479,155	479,155	466,308	12,847
Co-Curricular Activities	283,635	283,635	293,488	(9,853)
Other Special Needs	103,958	103,958	112,321	(8,363)
Total Instruction	<u>9,278,965</u>	<u>9,278,965</u>	<u>9,170,985</u>	<u>107,980</u>
Support Services:				
Pupil Services	516,964	516,964	512,495	4,469
Instructional Staff Services	669,817	669,817	643,672	26,145
General Administration	506,675	506,675	646,350	(139,675)
School Building Administration	880,411	880,411	880,284	127
Business Administration	3,066,019	3,066,019	3,035,466	30,553
Central Services	223,349	223,349	184,764	38,585
Insurance and Judgments	178,864	178,864	174,097	4,767
Debt Services	7,200	7,200	13,559	(6,359)
Other Support Services	187,432	187,432	320,625	(133,193)
Total Support Services	<u>6,236,731</u>	<u>6,236,731</u>	<u>6,411,312</u>	<u>(174,581)</u>
Non-Program:				
Purchased Instructional Services	660,674	660,674	694,711	(34,037)
Other Non-Program	2,500	2,500	-	2,500
Total Non-Program	<u>663,174</u>	<u>663,174</u>	<u>694,711</u>	<u>(31,537)</u>
Total Expenditures	<u>16,178,870</u>	<u>16,178,870</u>	<u>16,277,008</u>	<u>(98,138)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,421,402	1,421,402	1,336,143	(85,259)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,421,402)	(1,421,402)	(1,312,241)	109,161
NET CHANGE IN FUND BALANCE	-	-	23,902	23,902
Fund Balance, Beginning of Year	<u>2,847,578</u>	<u>2,847,578</u>	<u>2,847,578</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,847,578</u>	<u>\$ 2,847,578</u>	<u>\$ 2,871,480</u>	<u>\$ 23,902</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Interdistrict Sources	\$ 5,000	\$ 5,000	\$ 838	\$ (4,162)
Intermediate Sources	1,083	1,083	1,004	(79)
State Sources	547,515	547,515	578,413	30,898
Federal Sources	405,831	405,831	398,143	(7,688)
Total Revenues	<u>959,429</u>	<u>959,429</u>	<u>978,398</u>	<u>18,969</u>
EXPENDITURES				
Instruction:				
Vocational Curriculum	2,000	2,000	1,162	838
Special Education Curriculum	1,797,154	1,797,154	1,715,354	81,800
Other Special Needs	426	426	-	426
Total Instruction	<u>1,799,580</u>	<u>1,799,580</u>	<u>1,716,516</u>	<u>83,064</u>
Support Services:				
Pupil Services	233,350	233,350	262,412	(29,062)
Instructional Staff Services	252,376	252,376	227,563	24,813
Business Administration	87,040	87,040	72,560	14,480
Insurance and Judgments	2,000	2,000	-	2,000
Total Support Services	<u>574,766</u>	<u>574,766</u>	<u>562,535</u>	<u>12,231</u>
Non-Program:				
Purchased Instructional Services	<u>6,485</u>	<u>6,485</u>	<u>11,588</u>	<u>(5,103)</u>
Total Expenditures	<u>2,380,831</u>	<u>2,380,831</u>	<u>2,290,639</u>	<u>90,192</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,421,402)	(1,421,402)	(1,312,241)	109,161
OTHER FINANCING SOURCES				
Transfers In	<u>1,421,402</u>	<u>1,421,402</u>	<u>1,312,241</u>	<u>(109,161)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2013

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services			
			Adult Education	Theatre	Day Care	
ASSETS						
Cash and Investments	\$ 29,127	\$ -	\$ 6,350	\$ 5,425	\$ 70,708	\$ 111,610
Due from Other Governments	-	75,390	-	-	-	75,390
Due from Fiduciary Funds	-	1,186	1,186	-	-	2,372
Total Assets	<u>\$ 29,127</u>	<u>\$ 76,576</u>	<u>\$ 7,536</u>	<u>\$ 5,425</u>	<u>\$ 70,708</u>	<u>\$ 189,372</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	\$ 12,595	\$ 127	\$ -	\$ -	\$ 12,722
Due to Other Governmental Funds	-	31,350	-	-	-	31,350
Deferred Revenues	-	15,470	-	-	-	15,470
Total Liabilities	<u>-</u>	<u>59,415</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>59,542</u>
Fund Balances:						
Restricted	-	17,161	7,409	5,425	70,708	100,703
Assigned	29,127	-	-	-	-	29,127
Total Fund Balances	<u>29,127</u>	<u>17,161</u>	<u>7,409</u>	<u>5,425</u>	<u>70,708</u>	<u>129,830</u>
Total Liabilities and Fund Balances	<u>\$ 29,127</u>	<u>\$ 76,576</u>	<u>\$ 7,536</u>	<u>\$ 5,425</u>	<u>\$ 70,708</u>	<u>\$ 189,372</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2013

	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	63,658	442,109	43,495	332	125,841	675,435
State Sources	-	20,301	-	-	-	20,301
Federal Sources	-	467,828	-	-	-	467,828
Other Sources	-	111	-	-	-	111
Total Revenues	<u>63,658</u>	<u>930,349</u>	<u>135,495</u>	<u>332</u>	<u>137,841</u>	<u>1,267,675</u>
EXPENDITURES						
Instruction:						
Regular Instruction	25,671	-	-	-	-	25,671
Special Instruction	34,951	-	-	-	-	34,951
Other Instruction	2,303	-	-	-	-	2,303
Support Services:						
General Administration	-	-	75,007	-	-	75,007
School Building Administration	2,317	-	-	-	-	2,317
Operation and Maintenance of Plant	1,069	-	-	-	-	1,069
Food Service	-	931,868	-	-	-	931,868
Central Services	151	-	-	-	-	151
Community Services	-	-	59,628	1,438	109,163	170,229
Total Expenditures	<u>66,462</u>	<u>931,868</u>	<u>134,635</u>	<u>1,438</u>	<u>109,163</u>	<u>1,243,566</u>
NET CHANGE IN FUND BALANCES	(2,804)	(1,519)	860	(1,106)	28,678	24,109
Fund Balances, Beginning 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>
FUND BALANCES, END OF YEAR	<u>\$ 29,127</u>	<u>\$ 17,161</u>	<u>\$ 7,409</u>	<u>\$ 5,425</u>	<u>\$ 70,708</u>	<u>\$ 129,830</u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DEBT SERVICE FUND
DETAILED BALANCE SHEET
JUNE 30, 2013

	Referendum Debt Service	Non-Referendum Debt Service	Total
ASSETS			
Cash and Investments	\$ 1,850,993	\$ 93,856	\$ 1,944,849
Due from General Fund	2,700	-	2,700
Total Assets	\$ 1,853,693	\$ 93,856	\$ 1,947,549
 LIABILITIES AND FUND BALANCES			
Liabilities	\$ -	\$ -	\$ -
Fund Balances:			
Restricted	1,853,693	93,856	1,947,549
Total Liabilities and Fund Balances	\$ 1,853,693	\$ 93,856	\$ 1,947,549

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2013

	<u>Referendum Debt Service</u>	<u>Non-Referendum Debt Service</u>	<u>Total</u>
REVENUES			
Local Sources:			
Property Taxes	\$ 2,001,799	\$ 108,768	\$ 2,110,567
Other Local Sources	224	-	224
Total Revenues	<u>2,002,023</u>	<u>108,768</u>	<u>2,110,791</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	1,545,000	65,000	1,610,000
Interest and Fiscal Fees	<u>422,281</u>	<u>34,125</u>	<u>456,406</u>
Total Expenditures	<u>1,967,281</u>	<u>99,125</u>	<u>2,066,406</u>
NET CHANGE IN FUND BALANCES	34,742	9,643	44,385
Fund Balances, Beginning of Year	<u>1,818,951</u>	<u>84,213</u>	<u>1,903,164</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 1,853,693</u></u>	<u><u>\$ 93,856</u></u>	<u><u>\$ 1,947,549</u></u>

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
STUDENT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
CHANGE IN BALANCES
YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS				
Cash and Investments	<u>\$ 131,023</u>	<u>\$ 210,760</u>	<u>\$ 209,531</u>	<u>\$ 132,252</u>
LIABILITIES				
Due to Student Organizations:	<u>\$ 131,023</u>	<u>\$ 210,760</u>	<u>\$ 209,531</u>	<u>\$ 132,252</u>

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2012	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2013
U.S. Department of Agriculture					
Wisconsin Department of Public Instruction:					
School Breakfast Program:					
July 1, 2011 to June 30, 2012	10.553 {a} *	\$ 1,720	\$ -	\$ 1,720	\$ -
July 1, 2012 to June 30, 2013		-	108,670	92,168	16,502
Food Donation:					
July 1, 2012 to June 30, 2013	10.555 {a} *	-	53,312	53,312	-
National School Lunch Program:					
July 1, 2011 to June 30, 2012	10.555 {a} *	4,751	-	4,751	-
July 1, 2012 to June 30, 2013		-	286,777	246,958	39,819
Summer Food Service Program:					
July 1, 2011 to June 30, 2012	10.559 {a} *	21,718	-	21,718	-
July 1, 2012 to June 30, 2013		-	19,069	-	19,069
Fresh Fruit & Vegetable Program (FFVP):					
July 1, 2011 to June 30, 2012	10.582	6,499	-	6,499	-
Total Department of Agriculture		<u>34,688</u>	<u>467,828</u>	<u>427,126</u>	<u>75,390</u>
U.S. Department of Education					
Wisconsin Department of Public Instruction:					
ESEA Title I-A Basic Grant:					
July 1, 2011 to June 30, 2012	84.010 {b}	31,825	-	31,825	-
July 1, 2012 to June 30, 2013		-	205,824	102,433	103,391

{a} = Child Nutrition Cluster

{b} = Title I, Part A Cluster

* = Tested as a Federal Major Program

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, 2013

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2012	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2013
U.S. Department of Education (Continued)					
Wisconsin Department of Public Instruction: (Continued)					
IDEA Flow Through:	84.027 {c} *				
July 1, 2011 to June 30, 2012		\$ (40,678)	\$ -	\$ (40,678)	\$ -
July 1, 2012 to June 30, 2013		-	277,268	191,451	85,817
IDEA Flow Through - Seclusion and Restraint:	84.027 {c} *				
July 1, 2012 to June 30, 2013		-	896	896	-
IDEA Flow Through - CEIS Entitlement:	84.027 {c} *				
July 1, 2012 to June 30, 2013		-	51,769	35,182	16,587
IDEA Preschool Entitlement:	84.173 {c} *				
July 1, 2012 to June 30, 2013		-	15,956	15,956	-
ESEA Title II-A Teacher and Principal Training and Recruiting Fund:	84.367				
July 1, 2011 to June 30, 2012		17,366	-	17,366	-
July 1, 2012 to June 30, 2013		-	71,009	49,257	21,752
Cooperative Educational Service Agency No. 11:					
Vocational Education:	84.048				
July 1, 2012 to June 30, 2013		-	9,049	9,049	-
Total Department of Education		8,513	631,771	412,737	227,547

{c} = Special Education Cluster
* = Tested as a Federal Major Program

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, 2013**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2012	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2013
<u>U.S. Department of Health and Human Services</u>					
Wisconsin Department of Health and Family Services:					
Cooperative Educational Service Agency No. 11:					
Medical Assistance Program:	93.778 ***				
July 1, 2011 to June 30, 2012		\$ 18,475	\$ -	\$ 18,475	\$ -
July 1, 2012 to June 30, 2013		-	104,023	99,029	4,994
Total Department of Health and Human Services		<u>18,475</u>	<u>104,023</u>	<u>117,504</u>	<u>4,994</u>
Total Federal Program Awards		<u>\$ 61,676</u>	<u>\$ 1,203,622</u>	<u>\$ 957,367</u>	<u>\$ 307,931</u>

*** Tested as a State Major Program

**SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2013**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Accrued Receivable (Deferred Revenue) July 1, 2012	Expenditures	State Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2013
<u>Wisconsin Department of Public Instruction</u>					
Cost Reimbursement Programs - Nonmajor:					
Direct Grant:					
Youth Alcohol and Other Drug Abuse	255.306	\$ -	\$ 3,874	\$ 3,874	\$ -
Mentoring Grants for Initial Educators	255.301	-	4,610	4,610	-
Total Cost Reimbursement Programs		<u>\$ -</u>	<u>\$ 8,484</u>	<u>8,484</u>	<u>\$ -</u>
<u>Wisconsin Department of Public Instruction</u>					
Entitlement Programs:					
Major State Programs:					
Handicapped Pupils and School Age Parents:					
Internal District Programs	255.101	[1]		578,413	
Participant in Package Program at CESA No. 11				1,004	
Total Handicapped Program				<u>579,417</u>	
Common School Fund	255.103				
Pupil Transportation	255.107				
General Equalization	255.201			9,078,591	[2]
Special Adjustment Aid	255.203				
Student Achievement Guarantee in Education	255.504			468,518	
Total Major Programs				<u>10,126,526</u>	
Nonmajor State Programs:					
State Lunch	255.102			8,552	
Common School Fund	255.103			50,232	
Pupil Transportation	255.107			77,627	
Morning Milk Program	255.109			3,214	
School Breakfast Program	255.344			8,535	
Per Pupil Adjustment Aid	255.925			83,250	
Total Nonmajor Programs				<u>231,410</u>	
Total State Financial Assistance				<u>\$ 10,366,420</u>	

[1] District's 2012-13 Aidable Costs Reported to DPI Totaled \$1,957,994.

[2] Includes \$166,939 Receivable at 6/30/13.

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, 2013

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).

NOTE 4 PASS-THROUGH GRANT NUMBERS

Pass-through grant numbers were not assigned by the pass-through agencies.

NOTE 5 MEDICAL ASSISTANCE

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

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

Board of Education
School District of Amery
Amery, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of School District of Amery, Wisconsin (District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 30, 2013.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control 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 2013-001 through 2013-003 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Compliance and Other Matters

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

School District of Amery's Response to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
October 30, 2013



**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

Report on Compliance for Each Major Federal and State Program

We have audited School District of Amery, Wisconsin's (District) compliance with the types of compliance requirements described in the *OMB 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, 2013. We have also audited the District's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The District's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on to each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with 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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133 and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
October 30, 2013

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

PART I: SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unmodified 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 basic financial statements and reported in the "Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*", and are listed as Findings 2013-001 through 2013-003.
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 independent auditors' report on compliance for the major federal award programs and major state financial assistance programs for the District expresses an unmodified opinion.
6. No audit findings relative to the major federal awards programs for the District were disclosed during the audit that required to be reported in accordance with Section 501(a) of Office on Management and Budget Circular A-133.
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)

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 year findings has not been included since there were no findings related to major federal awards or major state financial assistance programs.

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2013-001 Annual Financial Reporting Under Generally Accepted Accounting Principles (GAAP)

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

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

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

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

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

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

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

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

Official Responsible for Ensuring CAP:

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

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013

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

FINDING: 2013-002 Limited Segregation of Duties

- 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.
- Condition:** The auditors noted during the audit that the available staff may preclude a proper separation of duties to assure adequate internal control.
- Context:** The limited size of the District's staff responsible for accounting and financial duties may preclude a complete segregation of incompatible duties. The District has informed us that it may not be cost effective to hire the additional personnel required to achieve complete segregation of duties.
- Cause:** The condition is due to limited staff available.
- Effect:** Lack of segregation of duties could result in a financial statement misstatement, caused by error or fraud, that would not be detected or prevented by District staff.
- Recommendation:** The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Findings

There is no disagreement with the audit finding.

Actions Planned in Response to Finding:

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

Official Responsible for Ensuring CAP:

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

Planned Completion Date for CAP:

The CAP is ongoing.

Plan to Monitor Completion of CAP:

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

Compensating Controls and Mitigating Factors:

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

SCHOOL DISTRICT OF AMERY
Amery, Wisconsin
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2013

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

FINDING: 2013-003 Material Audit Adjustments

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

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

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.

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

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

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, 2013**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.