

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2014**

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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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Amery, Wisconsin as of June 30, 2014, 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.

**Change in Accounting Principle**

As described in Note 4.H, the District adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

**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 November 8, 2014 on our consideration of District's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Amery's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 8, 2014

**REQUIRED SUPPLEMENTARY INFORMATION**



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2014**

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, 2014. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2013-14 fiscal year include the following:

- The assets of the District exceeded liabilities at the close of the fiscal year by \$12,420,778 (net position). Of this amount, \$10,436,685 represents net investment in capital assets, \$2,044,331 is for restricted purposes and the remaining negative balance of \$60,238 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$587,779 over the prior year.
- Net capital assets decreased by \$957,339 during the year, reflecting the cost of acquisitions less than depreciation expense and disposals.
- The District's general obligation long-term bonds, including the current portion, decreased \$1,675,000 during the year. The District's other long-term obligations, including the current portions, increased \$274,583 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$3,528,029 of total revenues of \$22,314,009. General revenues accounted for \$18,785,980, including \$9,601,982 of property taxes and \$8,824,103 of general aid. General revenues accounted for 84.2% of all revenues.
- The District had a total of \$21,726,230 of expenses, of which \$3,528,029 were financed with program revenues.
- The total fund balance of the District's governmental funds increased \$135,411. The general fund had an increase of \$68,857, with an increase of \$18,267 in the debt service fund, and an increase of \$48,287 in non-major funds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2014**

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements and/or to control and manage money for particular purposes. Fund statements generally report operations in more detail than the government-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements. Funds can be categorized into three categories: governmental funds, proprietary funds, and fiduciary funds. The District had no proprietary funds for the fiscal year ended June 30, 2014.

**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, 2014**

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, 2014, compared to the prior fiscal year.

**Table 1  
Condensed Statement of Net Position**

	Governmental Activities	
	2014	2013 Restated
Current and Other Assets	\$ 7,051,465	\$ 8,739,972
Capital Assets	20,377,184	21,334,523
Total Assets	27,428,649	30,074,495
Current Liabilities	2,066,797	3,900,005
Long-Term Liabilities	12,941,074	14,341,491
Total Liabilities	15,007,871	18,241,496
 Net Position:		
Net Investment in Capital Assets	10,436,685	9,782,384
Restricted	2,044,331	1,939,360
Unrestricted	(60,238)	111,255
Total Net Position	\$ 12,420,778	\$ 11,832,999

A significant portion of the District's net position (84.0%) 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, 2014**

Restricted net position accounts for 16.5% 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 \$1,866,214 for this purpose.

Total liabilities decreased by \$3,233,625 during the year, including a net decrease of \$1,675,000 in outstanding general obligation bonds.

The District's net position increased \$587,779 during the year. In addition, the District's unrestricted net position decreased \$171,493, decreasing the balance of the unrestricted component to a negative \$60,238.

**Change in Net Position.** Table 2 shows the change in net position for the fiscal years 2014 and 2013:

**Table 2  
Change in Net Position**

	Governmental Activities	
	2014	2013 Restated
<b>Revenues:</b>		
Program Revenues:		
Charges for Services	\$ 1,143,496	\$ 1,238,999
Operating Grants and Contributions	2,384,533	2,408,313
General Revenues:		
Property Taxes	9,601,982	8,950,740
General Formula Aid	8,824,103	9,078,591
Other	359,895	293,372
Total Revenues	22,314,009	21,970,015
<b>Expenses:</b>		
Instruction	12,136,957	11,672,548
Pupil and Instructional Services	1,622,392	1,665,529
Administration and Business	1,957,749	1,908,693
Operation and Maintenance	2,252,932	1,917,729
Pupil Transportation	935,520	888,960
Food Service	903,382	947,392
Community Services	173,819	170,229
Interest on Debt and Fiscal Fees	401,589	444,038
Other	1,341,890	1,513,673
Total Expenses	21,726,230	21,128,791
<b>Change in Net Position</b>	587,779	841,224
Net Position - Beginning of Year (Restated)	11,832,999	10,991,775
<b>Net Position - End of Year</b>	\$ 12,420,778	\$ 11,832,999

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2014**

As shown in Table 2, general revenues provided 84.2% of the funding required for governmental activities for fiscal year 2014 with property taxes providing 43.0% of the funding and general formula aid providing 39.5%. Program revenues, consisting of charges for services, grants and contributions, provided 15.8% of the funding. The program revenues were allocated to the expense functions as shown in Table 3.

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

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

	<u>2014</u>	<u>2013</u>
Subject to Revenue Limit:		
General Fund	\$ 7,391,322	\$ 6,736,173
Debt Service (Non-Referendum)	112,642	108,768
Not Subject to Revenue Limit:		
Debt Service	1,994,018	2,001,799
Community Service	104,000	104,000
	<u>\$ 9,601,982</u>	<u>\$ 8,950,740</u>

General aid is paid according to a formula taking into consideration District spending and property values on a per student basis compared to spending and property values for the state as a whole. The District's general aid decreased \$254,488 (-2.8%) in 2014, from \$9,078,591 in 2013 to \$8,824,103 in 2014.

Table 3 presents the total cost of the major activities: instruction, pupil and instructional services, administration and business, operations and maintenance, pupil transportation, food service, community services, interest and fiscal fees and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

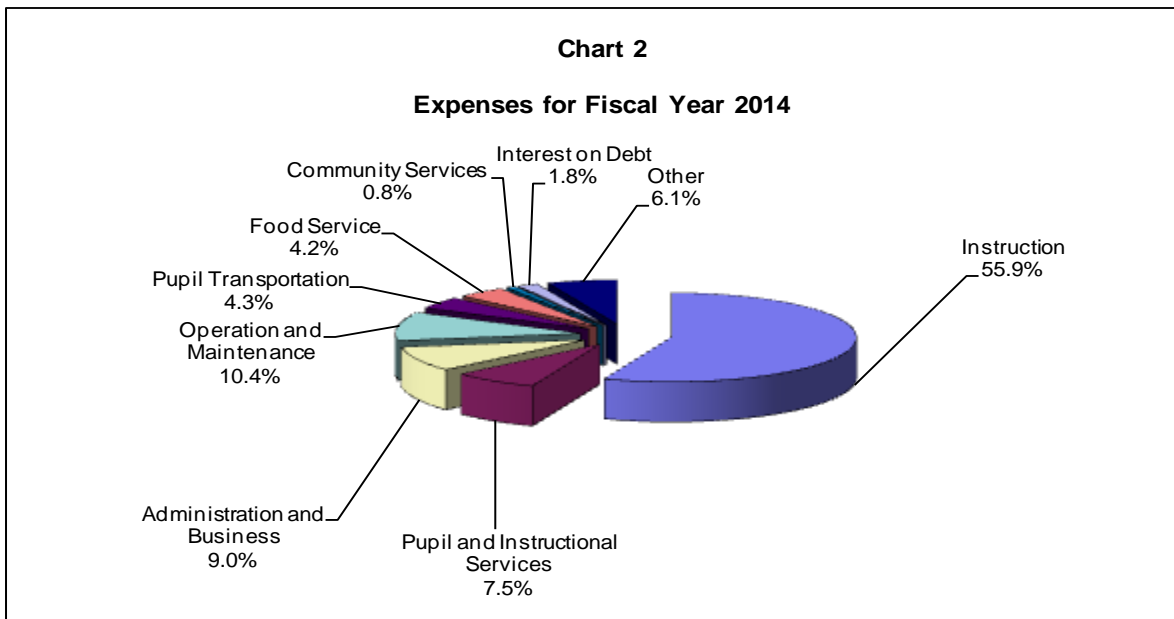
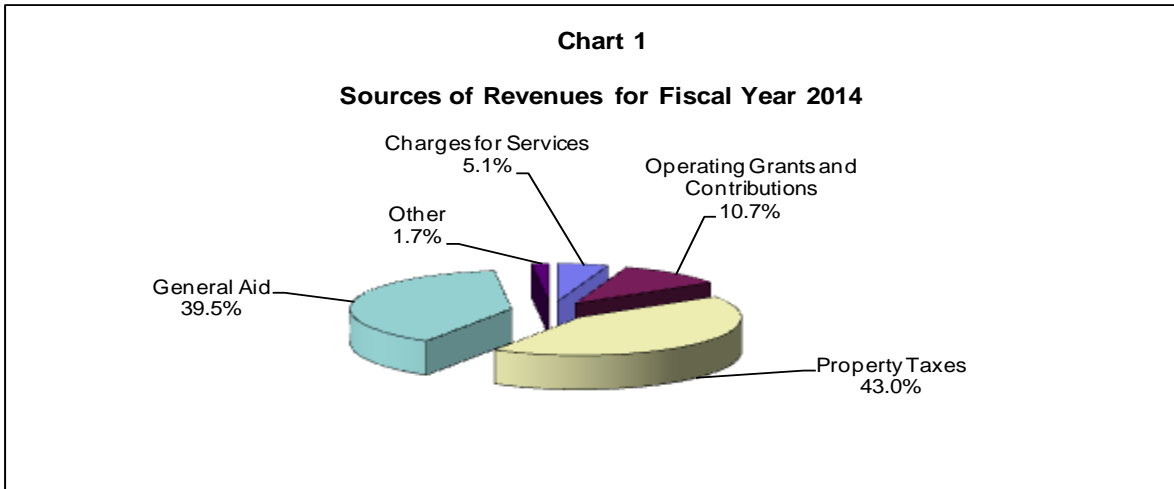
**Table 3  
Net Cost of Governmental Activities**

<u>Expense Functions</u>	<u>2014</u>		<u>Restated 2013</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 12,136,957	\$ 10,225,972	\$ 11,672,548	\$ 9,618,958
Pupil and Instructional Services	1,622,392	1,260,124	1,665,529	1,304,540
Administration and Business	1,957,749	1,957,749	1,908,693	1,908,693
Operations and Maintenance	2,252,932	2,247,516	1,917,729	1,914,741
Pupil Transportation	935,520	799,829	888,960	765,728
Food Service	903,382	(3,017)	947,392	17,043
Community Services	173,819	8,674	170,229	561
Interest on Debt and Fiscal Fees	401,589	401,589	444,038	444,038
Other	1,341,890	1,299,765	1,513,673	1,507,177
	<u>\$ 21,726,230</u>	<u>\$ 18,198,201</u>	<u>\$ 21,128,791</u>	<u>\$ 17,481,479</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2014**

- The cost of all governmental activities for the year was \$21,726,230.
- Individuals who directly participated or benefited from a program offering paid for \$1,143,496 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,384,533.
- Net cost of governmental activities (\$18,198,201), were financed by general revenues, which are made up primarily of property taxes (\$9,601,982) and general aid (\$8,824,103).

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, 2014**

**Governmental Funds**

Changes in the District's governmental funds for the year ended June 30, 2014 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2014</u>	<u>Balance June 30, 2013</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 2,940,337	\$ 2,871,480	\$ 68,857
Debt Service Fund	1,965,816	1,947,549	18,267
Nonmajor Funds:			
Education Trust	26,211	29,127	(2,916)
Food Service Fund	49,009	17,161	31,848
Community Services Funds:			
Adult Education	9,187	7,409	1,778
Theatre	6,470	5,425	1,045
Day Care	87,240	70,708	16,532
	<u>\$ 5,084,270</u>	<u>\$ 4,948,859</u>	<u>\$ 135,411</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 \$3,837,564 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 during fiscal year 2014 as shown in the budgetary comparison schedules under *Required Supplementary Information*. The District ended the year with an overall positive budget variance primarily due to actual other financing sources more than budgeted and instructional expenditures being less than budgeted.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2014**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of the end of fiscal year 2014, the District had invested over \$39 million in a broad range of capital assets, including land, land improvements, buildings and equipment (see Table 4). This amount represents a net decrease of \$494,454 from the previous year. Accumulated depreciation on these assets totaled \$18,881,703.

**Table 4  
Capital Assets**

	June 30,		%
	2014	2013	
Land	\$ 380,300	\$ 380,300	0.0%
Land Improvements	2,275,285	2,275,285	0.0
Buildings and Improvements	31,061,291	31,069,391	0.0
Furniture and Equipment	5,542,011	6,028,365	-8.1
Subtotal	39,258,887	39,753,341	-1.2
Accumulated Depreciation	18,881,703	18,418,818	2.5
Total	<u>\$ 20,377,184</u>	<u>\$ 21,334,523</u>	-4.5

- Asset acquisitions during the year totaled \$307,316.
- The District disposed of \$801,770 of capital assets during the year.
- The District recognized depreciation expense of \$1,184,793 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 \$10.8 million in general obligation bonds outstanding. The District also had other long-term obligations outstanding of approximately \$2.1 million (see Table 5).

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



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2014**

**Table 5  
Outstanding Long-Term Obligations**

	June 30,		% Change
	2014	2013	
Long-Term Debt			
General Obligation Bonds	\$ 10,825,000	\$ 12,500,000	-13.4%
Capital Leases	63,626	-	100.0%
Other Long-Term Obligations			
Bond Premiums	18,433	31,480	-41.4
Bond Discounts	(7,934)	(9,341)	-15.1
Pension Benefits	29,334	26,214	11.9%
Other Postemployment Benefits	1,186,967	948,438	25.1
Compensated Absences	825,648	844,700	-2.3
Total	<u>\$ 12,941,074</u>	<u>\$ 14,341,491</u>	-9.8

- The District retired \$1,675,000 of outstanding general obligation bonds during the year.
- The District entered into a capital lease with General Electric during the year in the amount of \$98,164 for the purchase of personal computers and networking equipment.

(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, 2014**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Investments	\$ 2,475,525
Taxes Receivable	3,837,564
Accounts Receivable	4,093
Due from Other Governments	394,998
Due from Fiduciary Funds	339,285
Capital Assets:	
Capital Assets Not Being Depreciated	380,300
Capital Assets Being Depreciated	38,878,587
Accumulated Depreciation	<u>(18,881,703)</u>
Total Assets	<u>27,428,649</u>
<b>LIABILITIES</b>	
Accounts Payable	13,581
Accrued Interest Payable	99,602
Accrued Salaries and Wages	791,469
Payroll Taxes and Withholdings	1,140,659
Unearned Revenue	21,486
Long-Term Liabilities:	
Amounts Due Within One Year	1,805,638
Amounts Due In More than One Year	<u>11,135,436</u>
Total Liabilities	<u>15,007,871</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	10,436,685
Restricted for:	
Debt Service	1,866,214
Education Trust	26,211
Food Service	49,009
Community Service	102,897
Unrestricted	<u>(60,238)</u>
Total Net Position	<u><u>\$ 12,420,778</u></u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Total Governmental Activities
<b>Primary Government:</b>				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 8,687,993	\$ 422,971	\$ 734,181	\$ (7,530,841)
Vocational Instruction	731,315	32,189	468	(698,658)
Special Instruction	1,966,934	9,243	611,468	(1,346,223)
Other Instruction	750,715	100,465	-	(650,250)
Total Instruction	12,136,957	564,868	1,346,117	(10,225,972)
Support Services:				
Pupil Services	777,980	-	107,115	(670,865)
Instructional Staff Services	844,412	-	255,153	(589,259)
General Administration Services	800,882	-	-	(800,882)
Building Administration Services	851,694	-	-	(851,694)
Business Services	305,173	-	-	(305,173)
Operation and Maintenance of Plant	2,252,932	5,416	-	(2,247,516)
Pupil Transportation Services	935,520	590	135,101	(799,829)
Food Service	903,382	407,477	498,922	3,017
Central Services	263,515	-	-	(263,515)
Insurance and Judgments	182,764	-	-	(182,764)
Interest and Fiscal Fees	401,589	-	-	(401,589)
Other Support Services	113,362	-	42,125	(71,237)
Community Services	173,819	165,145	-	(8,674)
Depreciation - Unallocated *	782,249	-	-	(782,249)
Total Support Services	9,589,273	578,628	1,038,416	(7,972,229)
Total Primary Government	\$ 21,726,230	\$ 1,143,496	\$ 2,384,533	(18,198,201)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				7,391,322
Property Taxes, Levied for Debt Purposes				2,106,660
Property Taxes, Levied for Community Service Purposes				104,000
Other Taxes				15,887
State and Federal Aids Not Restricted to Specific Functions:				
General				8,824,103
Other				146,762
Interest and Investment Earnings				2,794
Miscellaneous				194,452
Total General Revenues				18,785,980
<b>Change in Net Position</b>				587,779
Net Position - Beginning of Year (Restated)				11,832,999
<b>Net Position - End of Year</b>				<b>\$ 12,420,778</b>

\* 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, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 339,244	\$ 1,968,516	\$ 167,765	\$ 2,475,525
Taxes Receivable	3,837,564	-	-	3,837,564
Accounts Receivable	2,832	-	1,261	4,093
Due from Other Governments	366,116	-	28,882	394,998
Due from Other Governmental Funds	2,700	-	-	2,700
Due from Fiduciary Funds	336,759	-	2,526	339,285
	<u>\$ 4,885,215</u>	<u>\$ 1,968,516</u>	<u>\$ 200,434</u>	<u>\$ 7,054,165</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 12,750	\$ -	\$ 831	\$ 13,581
Accrued Salaries and Wages	791,469	-	-	791,469
Payroll Taxes and Withholdings	1,140,659	-	-	1,140,659
Due to Other Governmental Funds	-	2,700	-	2,700
Unearned Revenues	-	-	21,486	21,486
Total Liabilities	<u>1,944,878</u>	<u>2,700</u>	<u>22,317</u>	<u>1,969,895</u>
<b>Fund Balances:</b>				
Restricted	-	1,965,816	178,117	2,143,933
Unassigned	2,940,337	-	-	2,940,337
Total Fund Balances	<u>2,940,337</u>	<u>1,965,816</u>	<u>178,117</u>	<u>5,084,270</u>
Total Liabilities and Fund Balances	<u>\$ 4,885,215</u>	<u>\$ 1,968,516</u>	<u>\$ 200,434</u>	<u>\$ 7,054,165</u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014**

**Total Fund Balances - Governmental Funds** **\$ 5,084,270**

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	\$ 39,258,887	
Accumulated Depreciation	<u>(18,881,703)</u>	20,377,184

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	10,825,000	
Capital Leases Payable	63,626	
Accrued Interest Payable on Long-Term Debt	99,602	
Vested Employee Benefits	<u>2,041,949</u>	(13,030,177)

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

(10,499)

**Net Position of Governmental Activities** **\$ 12,420,778**

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2014**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 7,391,322	\$ 2,106,660	\$ 104,000	\$ 9,601,982
Other Local Sources	207,681	221	655,235	863,137
Interdistrict Sources	358,317	-	-	358,317
Intermediate Sources	50,559	-	-	50,559
State Sources	10,068,280	-	20,568	10,088,848
Federal Sources	779,208	-	478,339	1,257,547
Other Sources	93,604	-	15	93,619
Total Revenues	<u>18,948,971</u>	<u>2,106,881</u>	<u>1,258,157</u>	<u>22,314,009</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular Instruction	8,422,353	-	32,870	8,455,223
Vocational Instruction	711,259	-	-	711,259
Special Instruction	1,906,338	-	24,966	1,931,304
Other Instruction	730,916	-	1,238	732,154
Support Services:				
Pupil Services	763,131	-	2,087	765,218
Instructional Staff Services	838,610	-	-	838,610
General Administration	835,974	-	75,971	911,945
School Building Administration	809,112	-	24,137	833,249
Business Services	288,575	-	-	288,575
Operation and Maintenance of Plant	2,247,278	-	79	2,247,357
Pupil Transportation Services	845,470	-	-	845,470
Food Service	-	-	874,551	874,551
Central Services	239,693	-	152	239,845
Insurance and Judgments	182,764	-	-	182,764
Debt Service	43,443	2,088,614	-	2,132,057
Other Support Services	113,362	-	-	113,362
Community Services	-	-	173,819	173,819
Total Expenditures	<u>18,978,278</u>	<u>2,088,614</u>	<u>1,209,870</u>	<u>22,276,762</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(29,307)	18,267	48,287	37,247
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	98,164	-	-	98,164
<b>NET CHANGE IN FUND BALANCES</b>	68,857	18,267	48,287	135,411
Fund Balances, Beginning of Year	<u>2,871,480</u>	<u>1,947,549</u>	<u>129,830</u>	<u>4,948,859</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 2,940,337</u>	<u>\$ 1,965,816</u>	<u>\$ 178,117</u>	<u>\$ 5,084,270</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, 2014**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 135,411**

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

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

Capital Outlays Reported in Governmental Fund Statements	\$ 307,316	
Depreciation Expense Reported in the Statement of Activities	<u>(1,184,793)</u>	(877,477)

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

The gain (loss) on disposal of capital assets during the year is: (79,862)

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

(98,164)

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: 1,709,538

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	413,614	
Interest Accrued During the Current Period	<u>(404,324)</u>	9,290

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

Amortization of Debt Premium	13,047	
Amortization of Debt Discount	(1,407)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>(222,597)</u>	<u>(210,957)</u>

**Change in Net Position of Governmental Activities** **\$ 587,779**



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2014**

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and Investments	\$ 811,924	\$ 153,111	\$ 148,511
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 468
Due to Governmental Funds	339,285	-	-
Due to Student Organizations	-	-	148,043
Total Liabilities	339,285	-	\$ 148,511
<b>NET POSITION</b>			
Restricted	\$ 472,639	\$ 153,111	

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, 2014**

	Employee Benefit Trust Funds	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Local Sources:		
Interest	\$ 11,673	\$ 893
Gifts	-	13,000
Other Sources - Contributions	374,747	-
Total Additions	386,420	13,893
<b>DEDUCTIONS</b>		
Trust Fund Disbursements	339,285	16,725
<b>CHANGE IN NET POSITION</b>	47,135	(2,832)
Net Position, Beginning of Year	425,504	155,943
<b>NET POSITION, END OF YEAR</b>	\$ 472,639	\$ 153,111

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, 2014**

**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, 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Government-Wide Statements (Continued)**

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

**Fund Financial Statements**

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

The District has the following major governmental funds:

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

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

Additionally, the District reports the following fiduciary funds:

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

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

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**1. Deposits and Investments**

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

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

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

**2. Receivables and Payables**

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

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**2. Receivables and Payables (Continued)**

**Property Taxes (Continued).** Property taxes are recognized as revenue in the period for which taxes are levied. The 2013 tax levy is used to finance operations of the District's fiscal year ended June 30, 2014. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes that are collected within 60 days of June 30th and are available to pay current liabilities.

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

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

**3. Inventories and Prepaid Items**

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

**4. Capital Assets**

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



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**4. Capital Assets (Continued)**

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$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. Deferred Outflows of Resources**

The District would report decreases in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its government-wide statements of net position or governmental fund balance sheet. No deferred outflows of resources are reported in these financial statements in the current year.

**6. Deferred Inflows of Resources**

The District would report increases in net position or fund equity that relate to future periods as deferred inflows of resources in a separate section of its government-wide statements of net position or governmental fund balance sheet. No deferred inflows of resources are reported in these financial statements in the current year.

**7. Compensated Absences**

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**8. Other Postemployment Benefits Payable**

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

**9. Supplemental Pension Plan**

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

**10. 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.

**11. Use of Restricted Resources**

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

**12. Equity Classifications**

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

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**12. 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 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

In the general fund, at June 30, 2014, the expenditures exceeded the budgeted amount for expenditures as shown below:

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Vocational Curriculum	\$ 695,000	\$ 695,000	\$ 711,259	\$ (16,259)
Co-Curricular Activities	287,850	287,850	325,202	(37,352)
Other Special Needs	104,535	104,535	111,067	(6,532)
<b>Support Services:</b>				
Pupil Services	718,788	718,788	763,131	(44,343)
Business Administration	3,138,225	3,138,225	3,386,163	(247,938)
Debt Services	12,325	12,325	43,443	(31,118)

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**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, 2014 were shown in the financial statements as follows:

Governmental Funds	\$ 2,475,525
Fiduciary Funds:	
Employee Benefit Trust Funds	811,924
Private Purpose Trust Funds	153,111
Agency Funds	148,511
	\$ 3,589,071

The above balances at June 30, 2014 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State Depository Coverage	\$ 2,776,013
Investment with State Local Government Pooled-Investment Fund	884
Deposits with Fiscal Agent (Employee Benefit Trust Funds)	811,924
Non-Depository Petty Cash Funds	250
	\$ 3,589,071

**Deposits at Financial Institutions**

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Deposits at Financial Institutions (Continued)**

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

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2014, the District's deposits were not exposed to custodial credit risk.

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

**Investments**

The District's investments at June 30, 2014 consisted of deposits in the following external investment pool an investments with a fiscal agent:

**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, 2014 was 88 days.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Deposits and Investments (Continued)**

**Investments (Continued)**

**Investment with Fiscal Agent.** The deposits with fiscal agent consisted of amounts paid into the employee benefit trust fund (see Note 4.B and Note 4.C) and are comprised of amounts invested in non-registered fixed annuity accounts. These funds (\$811,924) are held at MidAmerica. The investment is neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

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

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

**B. Capital Assets**

Changes in the capital assets for the year ended June 30, 2014 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	2,275,285	-	-	2,275,285
Buildings and Improvements	31,069,391	-	(8,100)	31,061,291
Furniture and Equipment	6,028,365	307,316	(793,670)	5,542,011
Total Capital Assets, Being Depreciated	39,373,041	307,316	(801,770)	38,878,587
Accumulated Depreciation for				
Land Improvements	1,599,419	55,595	-	1,655,014
Buildings and Improvements	12,419,630	728,537	(5,589)	13,142,578
Furniture and Equipment	4,399,769	400,661	(716,319)	4,084,111
Total Accumulated Depreciation	18,418,818	1,184,793	(721,908)	18,881,703
Total Capital Assets, Being Depreciated, Net	20,954,223	(877,477)	(79,862)	19,996,884
Governmental Activities				
Capital Assets, Net	<u>\$ 21,334,523</u>	<u>\$ (877,477)</u>	<u>\$ (79,862)</u>	<u>\$ 20,377,184</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Capital Assets (Continued)**

Depreciation was charged to governmental functions as follows:

<b>Instruction:</b>		
Regular Instruction	\$	185,643
Vocational Instruction		6,764
Special Instruction		5,398
Other Instruction		6,600
<b>Support Services:</b>		
Pupil Services		496
Instructional Staff Services		208
General Administrative Services		26,505
Building Administrative Services		5,077
Business Services		8,375
Operation and Maintenance of Plant		11,912
Pupil Transportation Services		107,646
Food Service		21,076
Central Services		19,355
<b>Unallocated Depreciation</b>		<b>779,738</b>
Total Depreciation for Governmental Activities	<b>\$</b>	<b><u>1,184,793</u></b>

**C. Interfund Receivables, Payables and Transfers**

The composition of interfund balances as of June 30, 2014 was as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Employee Benefit Trust Fund	\$ 336,759	Trust Fund Contribution
Food Service	Employee Benefit Trust Fund	1,263	Trust Fund Contribution
Community Service	Employee Benefit Trust Fund	1,263	Trust Fund Contribution
General Fund	Debt Service Fund	2,700	Reimbursement for Agent Fees
		<u>\$ 341,985</u>	

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations**

**Changes in Long-Term Obligations**

Changes in long-term obligations of the District for the year ended June 30, 2014 were as follows:

	Balances July 1, 2013	Additions	Reductions	Balances June 30, 2014	Amounts Due Within One Year
General Obligation Bonds	\$ 12,500,000	\$ -	\$ 1,675,000	\$ 10,825,000	\$ 1,715,000
Bond Premiums	31,480	-	13,047	18,433	-
Bond Discounts	(9,341)	-	(1,407)	(7,934)	-
Capital Leases	-	98,164	34,538	63,626	30,937
Pension Benefits	26,214	46,180	43,060	29,334	-
Other Postemployment Benefits	948,438	560,224	321,695	1,186,967	-
Compensated Absences	844,700	7,836	26,888	825,648	59,701
	<u>\$ 14,341,491</u>	<u>\$ 712,404</u>	<u>\$ 2,112,821</u>	<u>\$ 12,941,074</u>	<u>\$ 1,805,638</u>

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

**General Obligation Debt**

Individual general obligation long-term debt issues outstanding at June 30, 2014 and future principal and interest requirements for their retirement at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
General Obligation Bonds:					
Refunding Bonds	4/1/05	10/1/20	3.25% - 4.15%	\$ 8,500,000	\$ 7,230,000
Refunding Bonds	10/14/09	10/1/17	2.00% - 3.25%	1,355,000	955,000
Refunding Bonds	4/1/10	10/1/16	2.00% - 2.50%	3,445,000	1,745,000
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	1,035,000	895,000
					<u>\$ 10,825,000</u>

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2014 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,060,000	127,930	1,187,930
2020-2024	2,560,000	143,013	2,703,013
Total	<u>\$ 10,825,000</u>	<u>\$ 1,398,232</u>	<u>\$ 12,223,232</u>



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Long-Term Obligations**

**General Obligation Debt (Continued)**

The 2013 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$814,219,125. The legal debt limit and margin of indebtedness as of June 30, 2014 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$814,219,125)	\$ 81,421,913
Deduct Long-Term Debt Applicable to Debt Margin	10,825,000
Margin of Indebtedness	\$ 70,596,913

**Capital Lease Payable**

At June 30, 2014, the District had a capital lease outstanding with General Electric Capital Corporation issued in November 14, 2013 in the amount of \$98,164 for the purchase of Apple personal computers, servers and networking equipment. Future lease payment requirements under the capital lease and the present value of the lease payments at June 30, 2014 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2015	\$ 34,538
2016	34,539
Total Minimum Lease Payments	69,077
Less: Amount Representing Interest	5,451
Present Value Net Minimum Lease Payments	\$ 63,626

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**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, 2014 were as follows:

Principal Outstanding at 7/1/13	Loan Proceeds	Repayments	Principal Outstanding at 6/30/14	Accrued Interest 6/30/14	Interest Expense	Interest Rate	Maturity Date
\$ 1,600,000	\$ 500	\$ 1,600,500	\$ -	\$ -	\$ 7,179	4.25%	11/1/14

The District's temporary notes payable consists of a line of credit that has an outstanding maximum draw limit of \$1,600,000. 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. As of the date of this report, no line of credit forms had been completed.

**F. Governmental Fund Balances**

The governmental fund balances reported on the fund financial statements at June 30, 2014 consisted of the following:

	Total	Restricted	Unassigned
<b>Major Funds:</b>			
General Fund			
Unassigned	\$ 2,940,337	\$ -	\$ 2,940,337
Debt Service Payments	1,965,816	1,965,816	-
<b>Nonmajor Funds:</b>			
Special Revenue Funds:			
Education Trust Purposes	26,211	26,211	-
Food Service Purposes	49,009	49,009	-
Community Services Programs:			
Adult Education Purposes	9,187	9,187	-
Theatre Purposes	6,470	6,470	-
Day Care Purposes	87,240	87,240	-
Subtotal Nonmajor Funds	<u>178,117</u>	<u>178,117</u>	<u>-</u>
<b>Total Governmental Funds Balances at June 30, 2014</b>	<u>\$ 5,084,270</u>	<u>\$ 2,143,933</u>	<u>\$ 2,940,337</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**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.

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 2013 and 2014 are as follows:

	2013		2014	
	Employee	Employer	Employee	Employer
General	6.65%	6.65%	7.00%	7.00%
Teachers	6.65%	6.65%	7.00%	7.00%

The payroll for District employees covered by the WRS for the year ended June 30, 2014 was \$10,241,945, the employer's total payroll was \$10,617,956. The total contributions for the year ended June 30, 2014 were \$1,399,368, which consisted of \$699,684, or 6.83% of payroll from the employer and \$699,684, or 6.83% of payroll from employees. Total contributions for the years ending June 30, 2013 and June 30, 2012 were \$1,305,394 and \$1,221,020, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Employee Retirement Plan (Continued)**

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, 2014, the District contributed \$321,695 to the plan.

**Annual OPEB Cost and Net OPEB Obligation**

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

Annual Required Contribution	\$ 578,757
Interest on Net OPEB Obligation	47,422
Adjustment to Annual Required Contribution	<u>(65,955)</u>
Annual OPEB Cost (Expense)	560,224
Contributions Made	<u>(321,695)</u>
Increase (Decrease) in Net OPEB Obligation	238,529
Net OPEB Obligation (Asset) - Beginning of Year	948,438
Net OPEB Obligation (Asset) - End of Year	<u><u>\$ 1,186,967</u></u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plan (Continued)**

**Annual OPEB Cost and Net OPEB Obligation (Continued)**

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 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)
6/30/12	\$ 664,371	78.8%	\$ 780,419
6/30/13	563,489	70.2%	948,438
6/30/14	560,224	57.4%	1,186,967

**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.

**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.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Other Postemployment Benefit Plan (Continued)**

**Actuarial Methods and Assumptions (Continued)**

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, 2014 was 24 years.

**C. Supplemental Pension Plan**

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

**Single-Employer Plan Description**

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

**Funding Policy**

The District funds its pension obligation on a pay-as-you-go basis. For fiscal year 2014, the District contributed \$43,060 to the plan.

**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		1,041
Adjustment to Annual Required Contribution		(1,634)
Annual Pension Cost (Expense)		46,180
Contributions Made		(43,060)
Increase in Net Pension Obligation		3,120
Net Pension Obligation (Asset) - Beginning of Year		26,214
Net Pension Obligation (Asset) - End of Year	\$	29,334

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Supplemental Pension Plan (Continued)**

**Annual Pension Cost and Net Pension Asset (Continued)**

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 2014 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)
6/30/12	\$ 62,919	34.2%	\$ 23,023
6/30/13	46,251	93.1%	26,214
6/30/14	46,180	93.2%	29,334

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.

**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, 2014 was 24 years.

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**D. Compensated Absences**

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

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

The District also provides associate staff retirees who meet certain age and length of service requirement, a cash payout of their unused sick leave at a rate of \$90 per day. The District's estimated liability for vacation and sick leave benefits at June 30, 2014 was \$34,943 and \$790,705, respectively, and is financed through the District's annual operating budget on a pay-as-you-go basis. It was recorded as a long-term obligation in the government-wide financial statements.

**E. Employee Benefit Fund**

The District has established an employee benefit trust fund to account for resources placed into a trust to assist in funding the District's early retirement benefit obligations (see Note 4.A). The District contributed \$321,695 during 2013-14. 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 \$472,639 at June 30, 2014.

**F. Limitation on School District Revenues**

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

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



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**G. Risk Management**

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

**H. Change in Accounting Principle**

The School District of Amery has adopted GASB Statement No. 65, Items Previously Recognized as Assets and Liabilities. GASB Statement No. 65 impacted financial reporting by establishing accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognize, as outflows of resources and inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 65 requires that debt issuance costs be recognized as an expense in the period incurred rather than capitalized and recognized as an expense (amortized) in a systematic and rational manner over the duration of the related debt as was the required treatment in prior reporting periods. GASB Statement No. 65 required retroactive application of the provisions related to debt issuance costs. Therefore, in conjunction with the implementation of GASB Statement No. 65, unamortized debt issuance costs as of July 1, 2013, were written off to the beginning of year net position, to properly recognize debt issuance costs as expenses in the periods in which they were incurred.

Net position previously reported as of June 30, 2013, has been restated as follows:

	June 30, 2013 Balance	Adjustment to Restate	June 30, 2013 Balance As Restated
<b>Other Assets:</b>			
Unamortized Debt Issuance Costs - Governmental Activities	\$ 249,507	\$ (249,507)	\$ -
<b>Net Position:</b>			
Unrestricted - Governmental Activities	360,762	(249,507)	111,255

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 7,391,322	\$ 7,391,322	\$ 7,391,322	\$ -
Other Local Sources	200,575	200,575	207,681	7,106
Interdistrict Sources	398,496	398,496	358,317	(40,179)
Intermediate Sources	107,917	107,917	50,559	(57,358)
State Sources	10,146,019	10,146,019	10,068,280	(77,739)
Federal Sources	743,152	743,152	779,208	36,056
Other Sources	66,000	66,000	93,604	27,604
Total Revenues	<u>19,053,481</u>	<u>19,053,481</u>	<u>18,948,971</u>	<u>(104,510)</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Undifferentiated Curriculum	3,897,980	3,897,980	3,858,112	39,868
Regular Curriculum	3,791,086	3,825,586	3,761,457	64,129
Vocational Curriculum	695,000	695,000	711,259	(16,259)
Physical Curriculum	447,048	447,048	405,714	41,334
Special Education Curriculum	1,781,665	1,781,665	1,746,782	34,883
Co-Curricular Activities	287,850	287,850	325,202	(37,352)
Other Special Needs	104,535	104,535	111,067	(6,532)
Total Instruction	<u>11,005,164</u>	<u>11,039,664</u>	<u>10,919,593</u>	<u>120,071</u>
<b>Support Services:</b>				
Pupil Services	718,788	718,788	763,131	(44,343)
Instructional Staff Services	855,168	855,168	838,610	16,558
General Administration	909,808	875,308	835,974	39,334
School Building Administration	865,271	865,271	809,112	56,159
Business Administration	3,138,225	3,138,225	3,386,163	(247,938)
Central Services	234,469	234,469	239,693	(5,224)
Insurance and Judgments	195,404	195,404	182,764	12,640
Debt Services	12,325	12,325	43,443	(31,118)
Other Support Services	252,531	252,531	108,522	144,009
Total Support Services	<u>7,181,989</u>	<u>7,147,489</u>	<u>7,207,412</u>	<u>(59,923)</u>
<b>Non-Program:</b>				
Purchased Instructional Services	865,828	865,828	851,273	14,555
Other Non-Program	500	500	-	500
Total Non-Program	<u>866,328</u>	<u>866,328</u>	<u>851,273</u>	<u>15,055</u>
Total Expenditures	<u>19,053,481</u>	<u>19,053,481</u>	<u>18,978,278</u>	<u>75,203</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	-	-	(29,307)	(29,307)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	98,164	98,164
<b>NET CHANGE IN FUND BALANCE</b>	-	-	68,857	68,857
Fund Balance, Beginning of Year	2,871,480	2,871,480	2,871,480	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,871,480</u>	<u>\$ 2,871,480</u>	<u>\$ 2,940,337</u>	<u>\$ 68,857</u>

See accompanying Notes to Required Supplementary Information

**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)
<b>Pension:</b>						
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%
<b>Other Postemployment Benefits:</b>						
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
<b>Pension:</b>				
	6/30/09	\$ 52,831	\$ 53,825	101.9%
	6/30/10	50,675	21,530	42.5%
	6/30/11	61,544	107,650	174.9%
	6/30/12	62,604	21,530	34.4%
	6/30/13	46,773	43,060	92.1%
	6/30/14	46,773	43,060	92.1%
<b>Other Postemployment Benefits:</b>				
	6/30/09	\$ 717,283	\$ 435,064	60.7%
	6/30/10	728,198	585,224	80.4%
	6/30/11	662,985	441,259	66.6%
	6/30/12	674,489	523,481	77.6%
	6/30/13	578,757	395,470	68.3%
	6/30/14	578,757	321,695	55.6%

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

**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.

**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, 2014**

	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	
<b>REVENUES</b>												
Local Sources:												
Property Taxes	\$ 7,391,322	\$ -	\$ -	\$ 7,391,322	\$ 7,391,322	\$ -	\$ -	\$ 7,391,322	\$ 7,391,322	\$ -	\$ -	\$ 7,391,322
Other Local Sources	200,575	-	-	200,575	200,575	-	-	200,575	207,681	-	-	207,681
Interdistrict Sources	394,194	4,302	-	398,496	394,194	4,302	-	398,496	350,183	8,134	-	358,317
Intermediate Sources	106,917	1,000	-	107,917	106,917	1,000	-	107,917	49,489	1,070	-	50,559
State Sources	9,593,408	552,611	-	10,146,019	9,593,408	552,611	-	10,146,019	9,537,626	530,654	-	10,068,280
Federal Sources	319,742	423,410	-	743,152	319,742	423,410	-	743,152	414,648	364,560	-	779,208
Other Sources	66,000	-	-	66,000	66,000	-	-	66,000	93,604	-	-	93,604
<b>Total Revenues</b>	<b>18,072,158</b>	<b>981,323</b>	<b>-</b>	<b>19,053,481</b>	<b>18,072,158</b>	<b>981,323</b>	<b>-</b>	<b>19,053,481</b>	<b>18,044,553</b>	<b>904,418</b>	<b>-</b>	<b>18,948,971</b>
<b>EXPENDITURES</b>												
Instruction:												
Undifferentiated Curriculum	3,897,980	-	-	3,897,980	3,897,980	-	-	3,897,980	3,857,854	258	-	3,858,112
Regular Curriculum	3,791,086	-	-	3,791,086	3,825,586	-	-	3,825,586	3,761,457	-	-	3,761,457
Vocational Curriculum	693,000	2,000	-	695,000	693,000	2,000	-	695,000	710,791	468	-	711,259
Physical Curriculum	447,048	-	-	447,048	447,048	-	-	447,048	405,671	43	-	405,714
Special Education Curriculum	-	1,781,665	-	1,781,665	-	1,781,665	-	1,781,665	-	1,746,782	-	1,746,782
Co-Curricular Activities	287,850	-	-	287,850	287,850	-	-	287,850	325,202	-	-	325,202
Other Special Needs	104,109	426	-	104,535	104,109	426	-	104,535	110,863	204	-	111,067
<b>Total Instruction</b>	<b>9,221,073</b>	<b>1,784,091</b>	<b>-</b>	<b>11,005,164</b>	<b>9,255,573</b>	<b>1,784,091</b>	<b>-</b>	<b>11,039,664</b>	<b>9,171,838</b>	<b>1,747,755</b>	<b>-</b>	<b>10,919,593</b>
Support Services:												
Pupil Services	490,562	228,226	-	718,788	490,562	228,226	-	718,788	515,002	248,129	-	763,131
Instructional Staff Services	622,513	232,655	-	855,168	622,513	232,655	-	855,168	609,734	228,876	-	838,610
General Administration	909,808	-	-	909,808	875,308	-	-	875,308	835,974	-	-	835,974
School Building Administration	865,271	-	-	865,271	865,271	-	-	865,271	809,112	-	-	809,112
Business Administration	3,055,735	82,490	-	3,138,225	3,055,735	82,490	-	3,138,225	3,309,879	76,284	-	3,386,163
Central Services	234,469	-	-	234,469	234,469	-	-	234,469	239,693	-	-	239,693
Insurance and Judgments	194,404	1,000	-	195,404	194,404	1,000	-	195,404	182,609	155	-	182,764
Debt Services	12,325	-	-	12,325	12,325	-	-	12,325	43,443	-	-	43,443
Other Support Services	252,531	-	-	252,531	252,531	-	-	252,531	108,522	-	-	108,522
<b>Total Support Services</b>	<b>6,637,618</b>	<b>544,371</b>	<b>-</b>	<b>7,181,989</b>	<b>6,603,118</b>	<b>544,371</b>	<b>-</b>	<b>7,147,489</b>	<b>6,653,968</b>	<b>553,444</b>	<b>-</b>	<b>7,207,412</b>
Non-Program:												
Purchased Instructional Services	844,425	21,403	-	865,828	844,425	21,403	-	865,828	802,784	48,489	-	851,273
Other Non-Program	500	-	-	500	500	-	-	500	-	-	-	-
<b>Total Non-Program</b>	<b>844,925</b>	<b>21,403</b>	<b>-</b>	<b>866,328</b>	<b>844,925</b>	<b>21,403</b>	<b>-</b>	<b>866,328</b>	<b>802,784</b>	<b>48,489</b>	<b>-</b>	<b>851,273</b>
<b>Total Expenditures</b>	<b>16,703,616</b>	<b>2,349,865</b>	<b>-</b>	<b>19,053,481</b>	<b>16,703,616</b>	<b>2,349,865</b>	<b>-</b>	<b>19,053,481</b>	<b>16,628,590</b>	<b>2,349,688</b>	<b>-</b>	<b>18,978,278</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>1,368,542</b>	<b>(1,368,542)</b>	<b>-</b>	<b>-</b>	<b>1,368,542</b>	<b>(1,368,542)</b>	<b>-</b>	<b>-</b>	<b>1,415,963</b>	<b>(1,445,270)</b>	<b>-</b>	<b>(29,307)</b>
<b>OTHER FINANCING SOURCES (USES)</b>												
Long-Term Debt Issued	-	-	-	-	-	-	-	-	98,164	-	-	98,164
Transfers In	-	1,368,542	(1,368,542)	-	-	1,368,542	(1,368,542)	-	-	1,445,270	(1,445,270)	-
Transfers Out	(1,368,542)	-	1,368,542	-	(1,368,542)	-	1,368,542	-	(1,445,270)	-	1,445,270	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,368,542)</b>	<b>1,368,542</b>	<b>-</b>	<b>-</b>	<b>(1,368,542)</b>	<b>1,368,542</b>	<b>-</b>	<b>-</b>	<b>(1,347,106)</b>	<b>1,445,270</b>	<b>-</b>	<b>98,164</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,857</b>	<b>-</b>	<b>-</b>	<b>68,857</b>
Fund Balance, Beginning of Year	2,871,480	-	-	2,871,480	2,871,480	-	-	2,871,480	2,871,480	-	-	2,871,480
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 2,871,480</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,871,480</b>	<b>\$ 2,871,480</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,871,480</b>	<b>\$ 2,940,337</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,940,337</b>



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FUND 10  
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local Sources:				
Property Taxes	\$ 7,391,322	\$ 7,391,322	\$ 7,391,322	\$ -
Other Local Sources	200,575	200,575	207,681	7,106
Interdistrict Sources	394,194	394,194	350,183	(44,011)
Intermediate Sources	106,917	106,917	49,489	(57,428)
State Sources	9,593,408	9,593,408	9,537,626	(55,782)
Federal Sources	319,742	319,742	414,648	94,906
Other Sources	66,000	66,000	93,604	27,604
Total Revenues	<u>18,072,158</u>	<u>18,072,158</u>	<u>18,044,553</u>	<u>(27,605)</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Undifferentiated Curriculum	3,897,980	3,897,980	3,857,854	40,126
Regular Curriculum	3,791,086	3,825,586	3,761,457	64,129
Vocational Curriculum	693,000	693,000	710,791	(17,791)
Physical Curriculum	447,048	447,048	405,671	41,377
Co-Curricular Activities	287,850	287,850	325,202	(37,352)
Other Special Needs	104,109	104,109	110,863	(6,754)
Total Instruction	<u>9,221,073</u>	<u>9,255,573</u>	<u>9,171,838</u>	<u>83,735</u>
<b>Support Services:</b>				
Pupil Services	490,562	490,562	515,002	(24,440)
Instructional Staff Services	622,513	622,513	609,734	12,779
General Administration	909,808	875,308	835,974	39,334
School Building Administration	865,271	865,271	809,112	56,159
Business Administration	3,055,735	3,055,735	3,309,879	(254,144)
Central Services	234,469	234,469	239,693	(5,224)
Insurance and Judgments	194,404	194,404	182,609	11,795
Debt Services	12,325	12,325	43,443	(31,118)
Other Support Services	252,531	252,531	108,522	144,009
Total Support Services	<u>6,637,618</u>	<u>6,603,118</u>	<u>6,653,968</u>	<u>(50,850)</u>
<b>Non-Program:</b>				
Purchased Instructional Services	844,425	844,425	802,784	41,641
Other Non-Program	500	500	-	500
Total Non-Program	<u>844,925</u>	<u>844,925</u>	<u>802,784</u>	<u>42,141</u>
Total Expenditures	<u>16,703,616</u>	<u>16,703,616</u>	<u>16,628,590</u>	<u>75,026</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	1,368,542	1,368,542	1,415,963	47,421
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-Term Debt Issued	-	-	98,164	98,164
Transfers Out	(1,368,542)	(1,368,542)	(1,445,270)	(76,728)
Total Other Financing Sources (Uses)	<u>(1,368,542)</u>	<u>(1,368,542)</u>	<u>(1,347,106)</u>	<u>21,436</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	68,857	68,857
Fund Balance, Beginning of Year	2,871,480	2,871,480	2,871,480	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 2,871,480</u>	<u>\$ 2,871,480</u>	<u>\$ 2,940,337</u>	<u>\$ 68,857</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
BUDGETARY COMPARISON SCHEDULE  
FUND 27  
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Interdistrict Sources	\$ 4,302	\$ 4,302	\$ 8,134	\$ 3,832
Intermediate Sources	1,000	1,000	1,070	70
State Sources	552,611	552,611	530,654	(21,957)
Federal Sources	423,410	423,410	364,560	(58,850)
Total Revenues	<u>981,323</u>	<u>981,323</u>	<u>904,418</u>	<u>(76,905)</u>
<b>EXPENDITURES</b>				
<b>Instruction:</b>				
Undifferentiated Curriculum	-	-	258	(258)
Vocational Curriculum	2,000	2,000	468	1,532
Physical Curriculum	-	-	43	(43)
Special Education Curriculum	1,781,665	1,781,665	1,746,782	34,883
Other Special Needs	426	426	204	222
Total Instruction	<u>1,784,091</u>	<u>1,784,091</u>	<u>1,747,755</u>	<u>36,336</u>
<b>Support Services:</b>				
Pupil Services	228,226	228,226	248,129	(19,903)
Instructional Staff Services	232,655	232,655	228,876	3,779
Business Administration	82,490	82,490	76,284	6,206
Insurance and Judgments	1,000	1,000	155	845
Total Support Services	<u>544,371</u>	<u>544,371</u>	<u>553,444</u>	<u>(9,073)</u>
<b>Non-Program:</b>				
Purchased Instructional Services	21,403	21,403	48,489	(27,086)
Total Expenditures	<u>2,349,865</u>	<u>2,349,865</u>	<u>2,349,688</u>	<u>177</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,368,542)	(1,368,542)	(1,445,270)	(76,728)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	1,368,542	1,368,542	1,445,270	76,728
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2014**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services			
			Adult Education	Theatre	Day Care	
<b>ASSETS</b>						
Cash and Investments	\$ 26,271	\$ 39,245	\$ 8,039	\$ 6,644	\$ 87,566	\$ 167,765
Accounts Receivable	-	1,261	-	-	-	1,261
Due from Other Governments	-	28,882	-	-	-	28,882
Due from Fiduciary Funds	-	1,263	1,263	-	-	2,526
	<u>-</u>	<u>1,263</u>	<u>1,263</u>	<u>-</u>	<u>-</u>	<u>2,526</u>
<b>Total Assets</b>	<u>\$ 26,271</u>	<u>\$ 70,651</u>	<u>\$ 9,302</u>	<u>\$ 6,644</u>	<u>\$ 87,566</u>	<u>\$ 200,434</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ 60	\$ 156	\$ 115	\$ 174	\$ 326	\$ 831
Unearned Revenues	-	21,486	-	-	-	21,486
<b>Total Liabilities</b>	<u>60</u>	<u>21,642</u>	<u>115</u>	<u>174</u>	<u>326</u>	<u>22,317</u>
<b>Fund Balances:</b>						
Restricted	<u>26,211</u>	<u>49,009</u>	<u>9,187</u>	<u>6,470</u>	<u>87,240</u>	<u>178,117</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 26,271</u>	<u>\$ 70,651</u>	<u>\$ 9,302</u>	<u>\$ 6,644</u>	<u>\$ 87,566</u>	<u>\$ 200,434</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES  
YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services		Day Care	
			Adult Education	Theatre		
<b>REVENUES</b>						
Local Sources:						
Property Taxes	\$ -	\$ -	\$ 92,000	\$ -	\$ 12,000	\$ 104,000
Other Local Sources	82,613	407,477	43,870	7,885	113,390	655,235
State Sources	-	20,568	-	-	-	20,568
Federal Sources	-	478,339	-	-	-	478,339
Other Sources	-	15	-	-	-	15
<b>Total Revenues</b>	<b>82,613</b>	<b>906,399</b>	<b>135,870</b>	<b>7,885</b>	<b>125,390</b>	<b>1,258,157</b>
<b>EXPENDITURES</b>						
Instruction:						
Regular Instruction	32,870	-	-	-	-	32,870
Special Instruction	24,966	-	-	-	-	24,966
Other Instruction	1,238	-	-	-	-	1,238
Support Services:						
Pupil Services	2,087	-	-	-	-	2,087
General Administration	-	-	75,971	-	-	75,971
School Building Administration	24,137	-	-	-	-	24,137
Operation and Maintenance of Plant	79	-	-	-	-	79
Food Service	-	874,551	-	-	-	874,551
Central Services	152	-	-	-	-	152
Community Services	-	-	58,121	6,840	108,858	173,819
<b>Total Expenditures</b>	<b>85,529</b>	<b>874,551</b>	<b>134,092</b>	<b>6,840</b>	<b>108,858</b>	<b>1,209,870</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,916)</b>	<b>31,848</b>	<b>1,778</b>	<b>1,045</b>	<b>16,532</b>	<b>48,287</b>
Fund Balances, Beginning of Year	29,127	17,161	7,409	5,425	70,708	129,830
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 26,211</b>	<b>\$ 49,009</b>	<b>\$ 9,187</b>	<b>\$ 6,470</b>	<b>\$ 87,240</b>	<b>\$ 178,117</b>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED BALANCE SHEET  
JUNE 30, 2014**

	<u>Referendum Debt Service</u>	<u>Non-Referendum Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Investments	<u>\$ 1,870,223</u>	<u>\$ 98,293</u>	<u>\$ 1,968,516</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Due from General Fund	\$ 2,700	\$ -	\$ 2,700
<b>Fund Balances:</b>			
Restricted	<u>1,867,523</u>	<u>98,293</u>	<u>1,965,816</u>
Total Liabilities and Fund Balances	<u>\$ 1,870,223</u>	<u>\$ 98,293</u>	<u>\$ 1,968,516</u>

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
DEBT SERVICE FUND  
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCES  
YEAR ENDED JUNE 30, 2014**

	Referendum Debt Service	Non-Referendum Debt Service	Total
<b>REVENUES</b>			
Local Sources:			
Property Taxes	\$ 1,994,018	\$ 112,642	\$ 2,106,660
Other Local Sources	221	-	221
Total Revenues	<u>1,994,239</u>	<u>112,642</u>	<u>2,106,881</u>
<b>EXPENDITURES</b>			
Debt Service:			
Principal Retirement	1,600,000	75,000	1,675,000
Interest and Fiscal Fees	380,409	33,205	413,614
Total Expenditures	<u>1,980,409</u>	<u>108,205</u>	<u>2,088,614</u>
<b>NET CHANGE IN FUND BALANCES</b>	13,830	4,437	18,267
Fund Balances, Beginning of Year	<u>1,853,693</u>	<u>93,856</u>	<u>1,947,549</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,867,523</u>	<u>\$ 98,293</u>	<u>\$ 1,965,816</u>

**SCHOOL DISTRICT OF AMERY  
 AMERY, WISCONSIN  
 STUDENT ACTIVITY FUNDS  
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND  
 CHANGE IN BALANCES  
 YEAR ENDED JUNE 30, 2014**

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<b>ASSETS</b>				
Cash and Investments	<u>\$ 132,252</u>	<u>\$ 204,150</u>	<u>\$ 187,891</u>	<u>\$ 148,511</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 468	\$ -	\$ 468
Due to Student Organizations:	<u>132,252</u>	<u>203,682</u>	<u>187,891</u>	<u>148,043</u>
Total Liabilities	<u>\$ 132,252</u>	<u>\$ 204,150</u>	<u>\$ 187,891</u>	<u>\$ 148,511</u>

**SINGLE AUDIT SECTION**



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
YEAR ENDED JUNE 30, 2014**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2013	Adjustments	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2014
<u>U.S. Department of Agriculture</u>						
Wisconsin Department of Public Instruction:						
School Breakfast Program:						
July 1, 2012 to June 20, 2013	10.553 {a} *	\$ 16,502	\$ 3,065	\$ -	\$ 19,567	\$ -
July 1, 2013 to June 20, 2014		-	-	111,739	108,594	3,145
Food Donation:						
July 1, 2013 to June 20, 2014	10.555 {a} *	-	-	53,198	53,198	-
National School Lunch Program:						
July 1, 2012 to June 20, 2013	10.555 {a} *	39,819	-	-	39,819	-
July 1, 2013 to June 20, 2014		-	-	292,985	284,607	8,378
Summer Food Service Program:						
July 1, 2012 to June 20, 2013	10.559 {a} *	19,069	-	-	19,069	-
July 1, 2013 to June 20, 2014		-	-	17,352	-	17,352
Total Department of Agriculture		75,390	3,065	475,274	524,854	28,875
<u>U.S. Department of Education</u>						
Wisconsin Department of Public Instruction:						
ESEA Title I-A Basic Grant:						
July 1, 2012 to June 20, 2013	84.010 {b}	103,391	-	-	103,391	-
July 1, 2013 to June 20, 2014		-	-	202,175	202,175	-
IDEA Flow Through:						
July 1, 2012 to June 20, 2013	84.027 {c} *	85,817	-	-	85,817	-
July 1, 2013 to June 20, 2014		-	-	328,043	185,057	142,986
{a} Child Nutrition Cluster {b} Title I, Part A Cluster {c} Special Education Cluster * Tested as a Federal Major Program						

See 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, 2014**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Accrued Receivable (Deferred Revenue) July 1, 2013	Adjustments	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2014
<b>U.S. Department of Education (Continued)</b>						
Wisconsin Department of Public Instruction: (Continued)						
IDEA Flow Through - CEIS Entitlement:	84.027 {c} *					
July 1, 2012 to June 20, 2013		\$ 16,587	\$ -	\$ -	\$ 16,587	\$ -
July 1, 2013 to June 20, 2014		-	-	50,762	32,079	18,683
IDEA Preschool Entitlement:	84.173 {c} *					
July 1, 2013 to June 20, 2014		-	-	11,983	11,983	-
ESEA Title II-A Teacher and Principal Training and Recruiting Fund:	84.367					
July 1, 2012 to June 20, 2013		21,752	-	-	21,752	-
July 1, 2013 to June 20, 2014		-	-	68,603	68,603	-
Cooperative Educational Service Agency No. 11: Vocational Education:	84.048					
July 1, 2013 to June 20, 2014		-	-	7,917	6,917	1,000
Total Department of Education		<u>269,003</u>	<u>-</u>	<u>669,483</u>	<u>734,361</u>	<u>204,489</u>
<b>U.S. Department of Health and Human Services</b>						
Wisconsin Department of Health and Family Services:						
Cooperative Educational Service Agency No. 11:						
Medical Assistance Program:	93.778 ***					
July 1, 2012 to June 20, 2013		4,994	-	-	4,994	-
July 1, 2013 to June 20, 2014		-	604	115,841	111,708	4,737
Total Department of Health and Human Services		<u>4,994</u>	<u>604</u>	<u>115,841</u>	<u>116,702</u>	<u>4,737</u>
Total Federal Program Awards		<u>\$ 349,387</u>	<u>\$ 3,669</u>	<u>\$ 1,260,598</u>	<u>\$ 1,375,917</u>	<u>\$ 238,101</u>

{c} Special Education Cluster

\* Tested as a Federal Major Program

\*\*\* Tested as a State Major Program

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
SCHEDULE OF STATE FINANCIAL ASSISTANCE  
YEAR ENDED JUNE 30, 2014**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Accrued Receivable (Deferred Revenue) July 1, 2013	Expenditures	State Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2014
<u>Wisconsin Department of Public Instruction</u>					
Cost Reimbursement Programs - Nonmajor:					
Direct Grant:					
Youth Alcohol and Other Drug Abuse	255.306	\$ -	\$ 1,000	\$ 1,000	\$ -
Educator Effectiveness Grant	255.940	-	10,960	10,960	-
Total Cost Reimbursement Programs		<u>\$ -</u>	<u>\$ 11,960</u>	<u>11,960</u>	<u>\$ -</u>
<u>Wisconsin Department of Public Instruction</u>					
Entitlement Programs:					
Major State Programs:					
Handicapped Pupils and School Age Parents:	255.101	[1]			
Internal District Programs				530,654	
Participant in Package Program at CESA No. 11				1,070	
Total Handicapped Program				<u>531,724</u>	
Pupil Transportation	255.107			74,725	
General Equalization	255.201			8,824,103	[2]
Student Achievement Guarantee in Education	255.504			429,778	
Per Pupil Adjustment Aid	255.925			123,375	
Total Major Programs				<u>9,983,705</u>	
Nonmajor State Programs:					
State Lunch	255.102			8,787	
Common School Fund	255.103			51,496	
Morning Milk Program	255.109			3,264	
School Breakfast Program	255.344			8,517	
Total Nonmajor Programs				<u>72,064</u>	
Total State Financial Assistance				<u>\$ 10,067,729</u>	

[1] District's 2013-14 Aidable Costs Reported to DPI Totaled \$1,972,077.

[2] Includes \$158,331 Receivable at 6/30/14.

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE  
JUNE 30, 2014**

**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, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 8, 2014.

**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 2014-001 and 2014-002 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

### **Compliance and Other Matters**

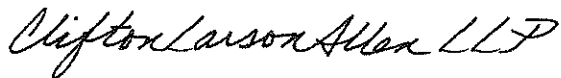
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

### **School District of Amery's Response to Findings**

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

### **Purpose of this Report**

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



**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
November 8, 2014



**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, 2014. 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, 2014.

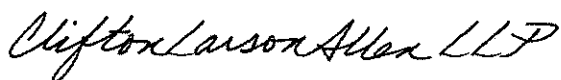
**Report on Internal Control Over Compliance**

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 that are appropriate in the circumstances 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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  
November 8, 2014



**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014**

**PART I: SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified   X   yes        no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?        yes   X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        yes   X   no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?        yes   X   none reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?        yes   X   no

Identification of major Federal programs:

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

Dollar threshold used to distinguish between type A and type B programs:   \$300,000  

Auditee qualified as low-risk auditee?        yes   X   no

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2014**

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

**State Awards**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  yes  none reported

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

Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*?  yes  no

Identification of major State programs:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.101	Handicapped Pupils and School Age Parents
255.201	General Equalization Aids
255.107	Pupil Transportation
255.504	Student Achievement Guarantee in Education
255.925	Per Pupil Adjustment Aid

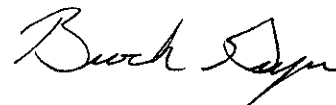
Dollar threshold used to distinguish between type A and type B programs: \$100,000

Auditee qualified as low-risk auditee?  yes  no

**OTHER ISSUES**

1. Do the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No
2. Does the auditors' report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weaknesses, significant deficiencies, management letter comments, excess revenue or excess reserve) related to grants or contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:
 

Department of Public Instruction	No
Department of Health Services	No
3. Was a management letter or other document conveying audit comments issued as a result of this audit? No



4. Name and signature of Principal Brock Geyen, CPA
5. Date of Report November 8, 2014

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2014**

**PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:**

**FINDING: 2014-001 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, 2014**

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

**FINDING: 2014-002 Limited Segregation of Duties**

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

**CORRECTIVE ACTION PLAN (CAP):**

**Explanation of Disagreement with Audit Findings**

There is no disagreement with the audit finding.

**Actions Planned in Response to Finding:**

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

**Official Responsible for Ensuring CAP:**

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

**Planned Completion Date for CAP:**

The CAP is ongoing.

**Plan to Monitor Completion of CAP:**

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

**Compensating Controls and Mitigating Factors:**

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

**SCHOOL DISTRICT OF AMERY  
AMERY, WISCONSIN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
YEAR ENDED JUNE 30, 2014**

**PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:**

None.

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

None.