

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2017

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AMERY, WISCONSIN
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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Education
School District of Amery
Amery, Wisconsin

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, 2017, 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, 2017, and the respective changes in the financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

Change in Accounting Principle

During fiscal year ended June 30, 2017, the District adopted GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statement Nos. 73 and 75, the District reported a restatement for the change in accounting principle (see Note 4.H). Our auditors' opinion was not modified with respect to the restatement.

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, other post-employment benefit schedules and pension schedules, 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.

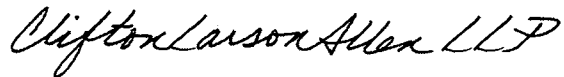
Supplementary Information

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

Board of Education
School District of Amery

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2017 on our consideration of District's internal control over financial reporting and on our tests on its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering School District of Amery's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 27, 2017

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

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, 2017. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2016-17 fiscal year include the following:

- The assets of the District exceeded liabilities at the close of the fiscal year by \$17,770,825 (net position). Of this amount, \$13,781,757 represents net investment in capital assets, \$2,043,691 is for restricted purposes and the remaining balance of \$1,945,377 is classified as unrestricted net position.
- Net position for the most recent fiscal year increased \$931,941 over the prior year.
- Net capital assets decreased by \$482,694 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 \$2,380,000 during the year. The District's other long-term obligations, including the current portions, decreased \$79,657 during the year.
- Program revenues, in the form of charges for services and grants and contributions, accounted for \$4,123,095 of total revenues of \$23,091,165. General revenues accounted for \$18,968,070, including \$9,482,056 of property taxes and \$8,553,317 of general aid. General revenues accounted for 82.1% of all revenues.
- The District had a total of \$22,159,224 of expenses, of which \$4,123,095 were financed with program revenues.
- The total fund balance of the District's governmental funds decreased \$212,796. The general fund had a decrease of \$11,941, with a decrease of \$292,517 in the debt service fund, and an increase of \$91,662 in non-major funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

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, 2017.

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

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

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

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, 2017, compared to the prior fiscal year.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities	
	2017	2016
Current and Other Assets	\$ 7,096,356	\$ 7,502,651
Capital Assets	18,156,479	18,639,173
Total Assets	25,252,835	26,141,824
Deferred Outflows of Resources	4,244,881	6,350,021
Current Liabilities	1,914,932	2,103,751
Long-Term Liabilities	7,933,362	10,393,019
Total Liabilities	9,848,294	12,496,770
Deferred Inflows of Resources	1,878,597	2,524,207
Net Position:		
Net Investment in Capital Assets	13,781,757	11,954,186
Restricted	2,043,691	2,233,985
Unrestricted	1,945,377	3,282,697
Total Net Position	\$ 17,770,825	\$ 17,470,868

A significant portion of the District's net position (77.6%) is its investment in capital assets (e.g. land, buildings, and equipment), less related outstanding debt used to acquire those assets. These assets are used to provide services to students and the community and, consequently, are not available for future spending.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

Restricted net position accounts for 11.5% 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 \$1,726,429 for this purpose.

Total liabilities decreased by \$2,648,476 during the year, including a net decrease of \$2,380,000 in outstanding general obligation bonds.

The District's net position increased \$299,957 during the year after the application of a change in accounting principle. The District's unrestricted net position decreased \$1,337,320 to a balance of \$1,945,377.

Change in Net Position. Table 2 shows the change in net position for the fiscal years 2017 and 2016:

**Table 2
Change in Net Position**

	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 1,243,884	\$ 1,086,574
Operating Grants and Contributions	2,879,211	2,818,209
General Revenues:		
Property Taxes	9,482,056	9,354,718
General Formula Aid	8,553,317	8,669,256
Other	932,697	584,430
Total Revenues	23,091,165	22,513,187
Expenses:		
Instruction	12,454,847	12,026,530
Pupil and Instructional Services	1,579,479	1,503,371
Administration and Business	2,376,146	1,697,068
Operation and Maintenance	2,092,908	1,959,468
Pupil Transportation	834,457	851,252
Food Service	859,759	918,125
Community Services	599,073	569,202
Interest on Debt and Fiscal Fees	163,077	318,325
Other	1,199,478	1,791,498
Total Expenses	22,159,224	21,634,839
Change in Net Position	\$ 931,941	\$ 878,348

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

As shown in Table 2, general revenues provided 82.1% of the funding required for governmental activities for fiscal year 2017 with property taxes providing 41.1% of the funding and general formula aid providing 37.0%. Program revenues, consisting of charges for services, grants and contributions, provided 17.9% 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:

	2017	2016
Subject to Revenue Limit:		
General Fund	\$ 7,113,785	\$ 7,148,808
Debt Service (Non-Referendum)	111,683	109,123
Not Subject to Revenue Limit:		
Debt Service	2,152,588	1,992,787
Community Service	104,000	104,000
	\$ 9,482,056	\$ 9,354,718

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 \$115,939 (-1.3%) in 2017, from \$8,669,256 in 2016 to \$8,553,317 in 2017.

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.

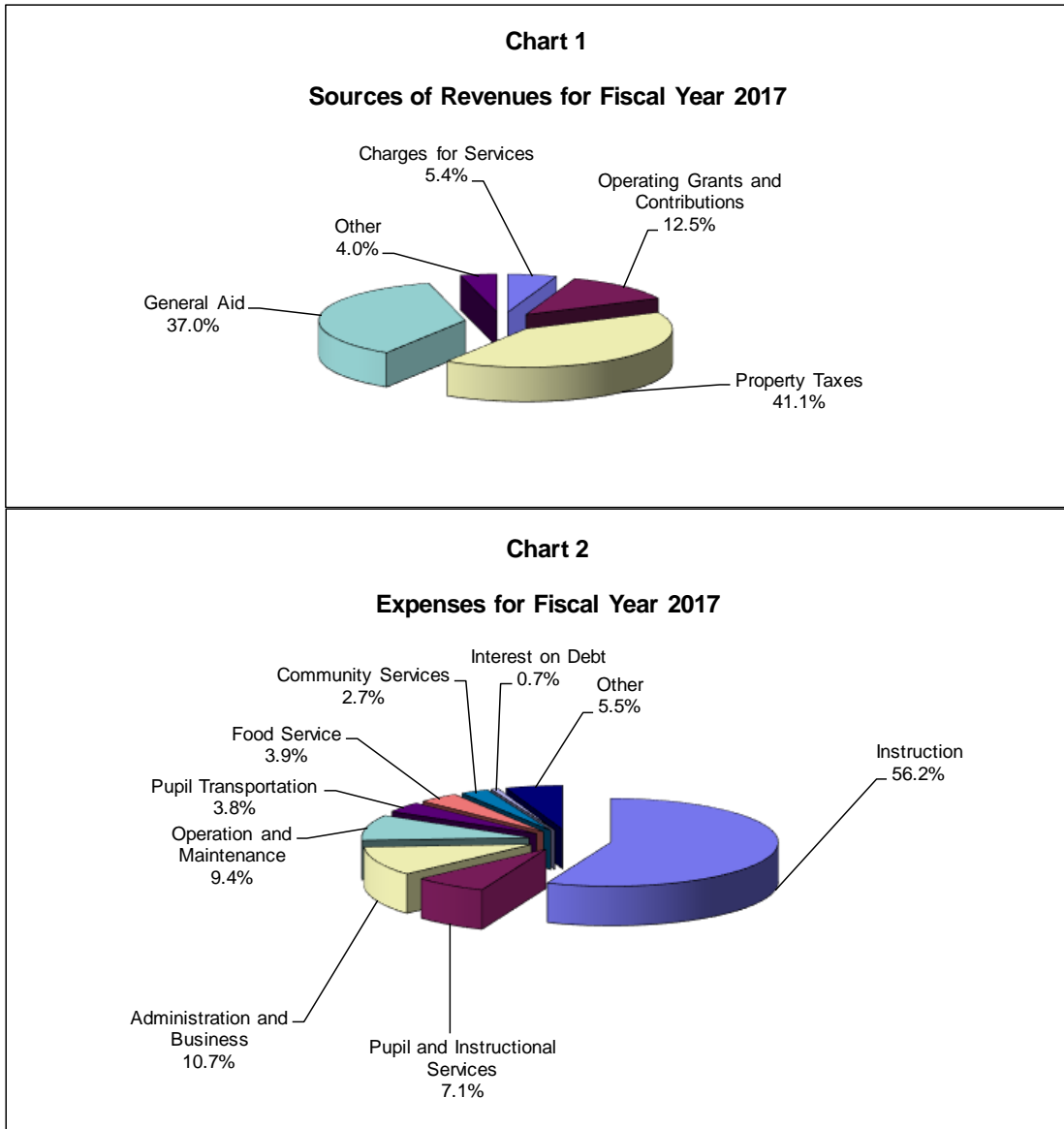
**Table 3
Net Cost of Governmental Activities**

<u>Expense Functions</u>	2017		2016	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 12,454,847	\$ 10,370,180	\$ 12,026,530	\$ 10,161,777
Pupil and Instructional Services	1,579,479	1,196,123	1,503,371	1,066,972
Administration and Business	2,376,146	2,376,146	1,697,068	1,680,714
Operations and Maintenance	2,092,908	2,092,908	1,959,468	1,959,468
Pupil Transportation	834,457	711,090	851,252	737,050
Food Service	859,759	(104,117)	918,125	(46,376)
Community Services	599,073	50,300	569,202	129,008
Interest on Debt and Fiscal Fees	163,077	163,077	318,325	318,325
Other	1,199,478	1,180,422	1,791,498	1,723,118
	\$ 22,159,224	\$ 18,036,129	\$ 21,634,839	\$ 17,730,056

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

- The cost of all governmental activities for the year was \$22,159,224.
- Individuals who directly participated or benefited from a program offering paid for \$1,243,884 of costs.
- Federal and state governments subsidized certain programs with grants and contributions of \$2,879,211.
- Net cost of governmental activities (\$18,036,129), were financed by general revenues, which are made up primarily of property taxes (\$9,482,056) and general aid (\$8,553,317).

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, 2017**

Governmental Funds

Changes in the District's governmental funds for the year ended June 30, 2017 are reflected below:

<u>Fund</u>	<u>Balance June 30, 2017</u>	<u>Balance June 30, 2016</u>	<u>Current Year Change</u>
Major Funds:			
General Fund	\$ 3,153,223	\$ 3,165,164	\$ (11,941)
Debt Service Fund	1,758,420	2,050,937	(292,517)
Nonmajor Funds:			
Education Trust	64,609	66,024	(1,415)
Food Service Fund	252,653	164,948	87,705
Community Services Funds:			
Adult Education	2,478	(3,965)	6,443
Theatre	5,704	6,832	(1,128)
Day Care	(23,305)	(22,862)	(443)
	<u>\$ 5,214,282</u>	<u>\$ 5,427,078</u>	<u>\$ (212,796)</u>

The significant portion of the general fund year-end fund balance was unassigned by the District even though it was used to partially finance the outstanding taxes receivable at that date totaling \$3,600,009 which are paid to the District in August subsequent to the June 30, fiscal year-end.

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2017**

General Fund Budgetary Highlights

Consistent with current statutes and regulations an *original* budget is adopted in October following determination of official enrollment and certification of general state aids. The District did modify its original budget during fiscal year 2017 as shown in the budgetary comparison schedules under *Required Supplementary Information*. The District ended the year with an overall positive budget variance primarily due to actual interdistrict sources being more than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of the end of fiscal year 2017, the District had invested over \$38.5 million in a broad range of capital assets, including land, land improvements, buildings and equipment (see Table 4). This amount represents a net increase of \$384,819 from the previous year. Accumulated depreciation on these assets totaled \$20,400,439.

**Table 4
Capital Assets**

	June 30,		%
	2017	2016	
Land	\$ 380,300	\$ 380,300	0.0%
Land Improvements	2,419,530	2,419,530	0.0
Buildings and Improvements	30,927,216	30,841,764	0.3
Furniture and Equipment	4,829,872	4,530,505	6.6
Subtotal	38,556,918	38,172,099	1.0
Accumulated Depreciation	20,400,439	19,532,926	4.4
Total	<u>\$ 18,156,479</u>	<u>\$ 18,639,173</u>	-2.6

- Asset acquisitions during the year totaled \$554,000.
- The District disposed of \$169,181 of capital assets during the year.
- The District recognized depreciation expense of \$1,031,913 during the year.

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

Long-Term Obligations

At year-end, the District had over \$4.9 million in general obligation bonds outstanding. The District also had other long-term obligations outstanding of approximately \$1.6 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, 2017**

**Table 5
Outstanding Long-Term Obligations**

	June 30,		% Change
	2017	2016	
Long-Term Debt			
General Obligation Bonds	\$ 4,865,000	\$ 7,245,000	-32.9%
Capital Leases	118,930	109,055	9.1%
Other Long-Term Obligations			
Bond Premiums	168,889	180,301	-6.3
Bond Discounts	(4,167)	(5,314)	-21.6
Supplemental Pension Benefits	29,675	-	n/a
Other Postemployment Benefits	1,395,694	877,678	59.0
Compensated Absences	761,996	786,856	-3.2
WRS Pension Liability	597,345	1,199,443	-50.2%
Total	<u>\$ 7,933,362</u>	<u>\$ 10,393,019</u>	-23.7

- The District retired \$2,380,000 of outstanding general obligation bonds during the year.

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

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact James Kuchta, District Administrator, School District of Amery, 543 Minneapolis Avenue South, Amery, Wisconsin 54001.

BASIC FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF NET POSITION
JUNE 30, 2017**

	Governmental Activities
ASSETS	
Cash and Investments	\$ 2,918,286
Taxes Receivable	3,600,009
Accounts Receivable	18,787
Due from Other Governments	387,874
Due from Fiduciary Funds	171,400
Capital Assets:	
Capital Assets Not Being Depreciated	380,300
Capital Assets Being Depreciated	38,176,618
Accumulated Depreciation	<u>(20,400,439)</u>
Total Assets	25,252,835
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	4,244,881
 LIABILITIES	
Accrued Interest Payable	32,858
Payroll Taxes and Withholdings	1,862,398
Unearned Revenue	19,676
Long-Term Liabilities:	
Amounts Due Within One Year	1,707,296
Amounts Due In More than One Year	4,203,352
Net Other Post Employment Benefits Liability	1,395,694
Supplemental Pension Liability	29,675
Wisconsin Retirement System Pension Liability	<u>597,345</u>
Total Liabilities	9,848,294
 DEFERRED INFLOWS OF RESOURCES	
Wisconsin Retirement System Pension Related	<u>1,878,597</u>
 NET POSITION	
Net Investment in Capital Assets	13,781,757
Restricted for:	
Debt Service	1,726,429
Education Trust	64,609
Food Service	252,653
Unrestricted	<u>1,945,377</u>
Total Net Position	<u><u>\$ 17,770,825</u></u>

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
Primary Government:				
Governmental Activities:				
Instruction:				
Regular Instruction	\$ 9,020,824	\$ 673,866	\$ 638,350	\$ (7,708,608)
Vocational Instruction	747,884	51,900	30,165	(665,819)
Special Instruction	1,918,270	-	640,022	(1,278,248)
Other Instruction	767,869	50,364	-	(717,505)
Total Instruction	12,454,847	776,130	1,308,537	(10,370,180)
Support Services:				
Pupil Services	792,186	-	96,951	(695,235)
Instructional Staff Services	787,293	-	286,405	(500,888)
General Administration Services	1,290,575	-	-	(1,290,575)
Building Administration Services	822,865	-	-	(822,865)
Business Services	262,706	-	-	(262,706)
Operation and Maintenance of Plant	2,092,908	-	-	(2,092,908)
Pupil Transportation Services	834,457	-	123,367	(711,090)
Food Service	859,759	448,993	514,883	104,117
Central Services	214,651	-	-	(214,651)
Insurance and Judgments	174,090	-	-	(174,090)
Interest and Fiscal Fees	163,077	-	-	(163,077)
Other Support Services	77,738	18,761	295	(58,682)
Community Services	599,073	-	548,773	(50,300)
Depreciation - Unallocated	732,999	-	-	(732,999)
Total Support Services	9,704,377	467,754	1,570,674	(7,665,949)
Total Primary Government	\$ 22,159,224	\$ 1,243,884	\$ 2,879,211	(18,036,129)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				7,113,785
Property Taxes, Levied for Debt Purposes				2,264,271
Property Taxes, Levied for Community Service Purposes				104,000
Other Taxes				14,061
General				8,553,317
Other				391,750
Interest and Investment Earnings				26,012
Miscellaneous				500,874
Total General Revenues				18,968,070
Change in Net Position				931,941
Net Position - Beginning of Year				17,470,868
Change in Accounting (See Note 4.H)				(631,984)
Net Position - Beginning of Year				16,838,884
Net Position - End of Year				\$ 17,770,825

See accompanying Notes to Basic Financial Statements.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
ASSETS				
Cash and Investments	\$ 845,427	\$ 1,761,120	\$ 311,739	\$ 2,918,286
Taxes Receivable	3,600,009	-	-	3,600,009
Accounts Receivable	593	-	18,194	18,787
Due from Other Governments	357,202	-	30,672	387,874
Due from Other Governmental Funds	41,803	-	-	41,803
Due from Fiduciary Funds	170,587	-	813	171,400
	<u>\$ 5,015,621</u>	<u>\$ 1,761,120</u>	<u>\$ 361,418</u>	<u>\$ 7,138,159</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Payroll Taxes and Withholdings	\$ 1,862,398	\$ -	\$ -	\$ 1,862,398
Due to Other Governmental Funds	-	2,700	39,103	41,803
Unearned Revenues	-	-	19,676	19,676
Total Liabilities	<u>1,862,398</u>	<u>2,700</u>	<u>58,779</u>	<u>1,923,877</u>
Fund Balances:				
Restricted	-	1,758,420	325,944	2,084,364
Assigned	479,148	-	-	479,148
Unassigned	2,674,075	-	(23,305)	2,650,770
Total Fund Balances	<u>3,153,223</u>	<u>1,758,420</u>	<u>302,639</u>	<u>5,214,282</u>
Total Liabilities and Fund Balances	<u>\$ 5,015,621</u>	<u>\$ 1,761,120</u>	<u>\$ 361,418</u>	<u>\$ 7,138,159</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, 2017**

Total Fund Balances - Governmental Funds \$ 5,214,282

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

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

Capital Assets	\$ 38,556,918	
Accumulated Depreciation	<u>(20,400,439)</u>	18,156,479

Wisconsin Retirement System Pension Plan:

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

Net Pension Liability	(597,345)	
Deferred Outflows of Resources - Pension Related	4,244,881	
Deferred Inflows of Resources - Pension Related	<u>(1,878,597)</u>	1,768,939

Other Post Employment Benefit and Supplemental Pension Plan:

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

Net OPEB Liability	(1,395,694)	
Supplemental Pension Liability	<u>(29,675)</u>	(1,425,369)

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	4,865,000	
Capital Leases Payable	118,930	
Accrued Interest Payable on Long-Term Debt	32,858	
Vested Employee Benefits	<u>761,996</u>	(5,778,784)

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

(164,722)

Net Position of Governmental Activities \$ 17,770,825

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017**

	General Fund	Debt Service Fund	Other Governmental Funds	Totals
REVENUES				
Local Sources:				
Property Taxes	\$ 7,113,785	\$ 2,264,271	\$ 104,000	\$ 9,482,056
Other Local Sources	200,242	588	1,048,803	1,249,633
Interdistrict Sources	671,293	-	-	671,293
Intermediate Sources	31,340	-	-	31,340
State Sources	10,059,946	-	19,988	10,079,934
Federal Sources	649,347	-	514,883	1,164,230
Other Sources	410,807	-	1,872	412,679
Total Revenues	<u>19,136,760</u>	<u>2,264,859</u>	<u>1,689,546</u>	<u>23,091,165</u>
EXPENDITURES				
Instruction:				
Regular Instruction	8,613,369	-	33,558	8,646,927
Vocational Instruction	712,992	-	-	712,992
Special Instruction	1,817,864	-	11,945	1,829,809
Other Instruction	762,349	-	5,703	768,052
Support Services:				
Pupil Services	755,049	-	-	755,049
Instructional Staff Services	755,115	-	-	755,115
General Administration	1,104,568	-	77,678	1,182,246
School Building Administration	780,601	-	1,430	782,031
Business Services	248,911	-	-	248,911
Operation and Maintenance of Plant	2,058,409	-	1,000	2,059,409
Pupil Transportation Services	916,469	-	-	916,469
Food Service	-	-	896,847	896,847
Central Services	282,103	-	-	282,103
Insurance and Judgments	174,090	-	-	174,090
Debt Service	50,664	2,557,376	-	2,608,040
Other Support Services	164,288	-	-	164,288
Community Services	-	-	570,223	570,223
Total Expenditures	<u>19,196,841</u>	<u>2,557,376</u>	<u>1,598,384</u>	<u>23,352,601</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(60,081)	(292,517)	91,162	(261,436)
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	48,640	-	-	48,640
Transfers In	-	-	500	500
Transfers Out	(500)	-	-	(500)
Net Other Financing Sources (Uses)	<u>48,140</u>	<u>-</u>	<u>500</u>	<u>48,640</u>
NET CHANGE IN FUND BALANCES	(11,941)	(292,517)	91,662	(212,796)
Fund Balances, Beginning of Year	<u>3,165,164</u>	<u>2,050,937</u>	<u>210,977</u>	<u>5,427,078</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,153,223</u>	<u>\$ 1,758,420</u>	<u>\$ 302,639</u>	<u>\$ 5,214,282</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, 2017**

Net Change in Fund Balances - Total Governmental Funds \$ (212,796)

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	\$ 554,000	
Depreciation Expense Reported in the Statement of Activities	<u>(1,031,913)</u>	(477,913)

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: (4,781)

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

(793,752)

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:

(48,640)

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:

2,418,765

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	190,853	
Interest Accrued During the Current Period	<u>(174,920)</u>	15,933

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	11,412	
Amortization of Debt Discount	(1,147)	
Net Change in Vested Employee Benefits Assets/Liabilities	<u>24,860</u>	<u>35,125</u>

Change in Net Position of Governmental Activities \$ 931,941

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	Employee Benefit Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Investments Held By Fiscal Agent**	\$ 766,209	\$ 175,621	\$ 148,977
LIABILITIES			
Due to Governmental Funds	171,400	-	-
Due to Student Organizations	-	-	148,977
Total Liabilities	171,400	-	\$ 148,977
NET POSITION			
Restricted for Employee Benefits and Other Purposes	\$ 594,809	\$ 175,621	

**Cash and Investments Held by Fiscal Agent are in a fixed interest annuity.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2017**

	Employee Benefit Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Local Sources:		
Interest	\$ 9,674	\$ 123
Gifts	-	44,974
Contributions Other Post Employment Benefit Plan	175,427	-
Total Additions	185,101	45,097
DEDUCTIONS		
Scholarships Awarded		24,300
Benefit Payments	242,426	
Total Deductions	242,426	24,300
CHANGE IN NET POSITION	(57,325)	20,797
Net Position, Beginning of Year	652,134	154,824
NET POSITION, END OF YEAR	\$ 594,809	\$ 175,621

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, 2017**

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, 2017

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, 2017**

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, 2017**

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, 2017**

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 2016 tax levy is used to finance operations of the District's fiscal year ended June 30, 2017. 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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

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

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

5. Deferred Outflows of Resources

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

6. Deferred Inflows of Resources

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

7. Compensated Absences

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Other Postemployment Benefits Payable

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

9. Supplemental Pension Plan

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

10. Wisconsin Retirement System Pension Benefits

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

11. Long-Term Obligations

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

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

12. Use of Restricted Resources

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

SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Equity Classifications

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

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

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

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

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

EXPENDITURES	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
Instruction:				
Vocational Curriculum	\$ 670,642	\$ 670,642	\$ 712,992	\$ (42,350)
Co-Curricular Activities	368,103	368,103	394,499	(26,396)
Support Services:				
Instructional Staff Services	747,704	747,704	755,115	(7,411)
General Administration	811,977	645,153	1,104,568	(459,415)
Business Administration	3,128,017	3,128,017	3,226,914	(98,897)
Insurance and Judgments	154,857	154,857	174,090	(19,233)
Debt Services	48,462	48,462	50,664	(2,202)

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, 2017 were shown in the financial statements as follows:

Governmental Funds	\$ 2,918,286
Fiduciary Funds:	
Employee Benefit Trust Funds	766,209
Private Purpose Trust Funds	175,621
Agency Funds	148,977
	<u>\$ 4,009,093</u>

The above balances at June 30, 2017 consisted of the following:

Deposits at Financial Institutions:	
Bank Accounts Subject to Federal and State Depository Coverage	\$ 3,242,684
Deposits with Fiscal Agent (Employee Benefit Trust Funds)	766,209
Investment Trust Account (Trust Fund)	
Non-Depository Petty Cash Funds	200
	<u>\$ 4,009,093</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Deposits at Financial Institutions

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

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

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District's deposits may not be returned. At June 30, 2017, the District's deposits were not exposed to custodial credit risk.

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

SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

The District's investments at June 30, 2017 consisted of deposits in the following external investment pool, an investment with a fiscal agent:

Investment with Fiscal Agent. The deposits with fiscal agent consisted of amounts paid into the employee benefit trust fund (see Note 4.B and Note 4.C) and are comprised of amounts invested in non-registered fixed annuity accounts. These funds (\$766,209) are held at MidAmerica. The investment is neither rated nor insured. Interest is earned on a daily basis and funds are available on demand.

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

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

B. Fair Value Measurements

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

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

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

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Fair Value Measurements (Continued)

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

	Level 1	Level 2	Level 3	Total
Fixed Annuity		\$ 766,209		\$ 766,209

C. Capital Assets

Changes in the capital assets for the year ended June 30, 2017 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 380,300	\$ -	\$ -	\$ 380,300
Capital Assets, Being Depreciated				
Land Improvements	2,419,530	-	-	2,419,530
Buildings and Improvements	30,841,764	85,452	-	30,927,216
Furniture and Equipment	4,530,505	468,548	(169,181)	4,829,872
Total Capital Assets, Being Depreciated	37,791,799	554,000	(169,181)	38,176,618
Accumulated Depreciation for				
Land Improvements	1,696,246	64,844	-	1,761,090
Buildings and Improvements	14,423,136	686,533	-	15,109,669
Furniture and Equipment	3,413,544	280,536	(164,400)	3,529,680
Total Accumulated Depreciation	19,532,926	1,031,913	(164,400)	20,400,439
Total Capital Assets, Being Depreciated, Net	18,258,873	(477,913)	(4,781)	17,776,179
Governmental Activities Capital Assets, Net	\$ 18,639,173	\$ (477,913)	\$ (4,781)	\$ 18,156,479

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

Instruction:			
Regular Instruction		\$	33,948
Vocational Instruction			1,941
Special Instruction			423
Other Instruction			1,211
Support Services:			
Instructional Staff Services			622
General Administrative Services			83,458
Operation and Maintenance of Plant			25,203
Pupil Transportation Services			103,533
Food Service			11,764
Central Services			41,592
Unallocated Depreciation			<u>728,218</u>
Total Depreciation for Governmental Activities		\$	<u><u>1,031,913</u></u>

D. Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2017 was as follows:

Due to/from Other Funds

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Day Care Community Service Fund	\$ 39,103	Settlement of Cash Deficit Balance
General Fund	Employee Benefit Trust Fund	165,757	Transaction Settlement Between Funds
General Fund	Employee Benefit Trust Fund	4,830	Transaction Settlement Between Funds
Adult Education Community Service Fund	Employee Benefit Trust Fund	813	Transaction Settlement Between Funds
General Fund	Debt Service Fund	2,700	Reimbursement for Agent Fees
		<u>\$ 213,203</u>	

Transfer

Fund Transferred To	Fund Transferred From	Amount	Purpose
Long-Term Capital Projects Fund	General Fund	<u>\$ 500</u>	Operational Transfer to Establish Fund

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

Changes in Long-Term Obligations

Changes in long-term obligations of the District for the year ended June 30, 2017 were as follows:

	Balances July 1, 2016	Additions	Reductions	Balances June 30, 2017	Amounts Due Within One Year
General Obligation Bonds	\$ 7,245,000	\$ -	\$ 2,380,000	\$ 4,865,000	\$ 1,630,000
Bond Premiums	180,301	-	11,412	168,889	-
Bond Discounts	(5,314)	-	(1,147)	(4,167)	-
Capital Leases	109,055	48,640	38,765	118,930	38,200
Compensated Absences	786,856	38,974	63,834	761,996	39,096
	<u>\$ 8,315,898</u>	<u>\$ 87,614</u>	<u>\$ 2,492,864</u>	<u>\$ 5,910,648</u>	<u>\$ 1,707,296</u>

The District's estimated liabilities for compensated absences are discussed in Note 4.D.

General Obligation Debt

Individual general obligation long-term debt issues outstanding at June 30, 2017 and future principal and interest requirements for their retirement at that date were as follows:

	Issue Date	Final Maturity Date	Interest Rate	Original Issue	Amount Outstanding
General Obligation Bonds:					
Refunding Bonds	10/14/09	10/1/17	2.00% - 3.25%	\$ 1,355,000	\$ 255,000
Refunding Bonds	5/23/11	10/1/23	1.10% - 4.65%	1,035,000	655,000
Refunding Bonds	8/3/15	10/1/20	2.00% - 3.00%	5,920,000	3,955,000
					<u>\$ 4,865,000</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2017 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,630,000	\$ 104,780	\$ 1,734,780
2018	955,000	76,231	1,031,231
2019	980,000	55,389	1,035,389
2020	1,000,000	29,211	1,029,211
2021	95,000	11,599	106,599
2022-2024	205,000	9,646	214,646
Total	<u>\$ 4,865,000</u>	<u>\$ 286,856</u>	<u>\$ 5,151,856</u>

The 2016 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$865,866,416. The legal debt limit and margin of indebtedness as of June 30, 2017 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$865,866,416)	\$ 86,586,642
Deduct Long-Term Debt Applicable to Debt Margin	4,865,000
Margin of Indebtedness	<u>\$ 81,721,642</u>

Capital Lease Payable

At June 30, 2017, the District had two capital lease obligations outstanding. A lease dated July 1, 2015 in the amount of \$137,259 is for the purchase of a telephone system. A lease dated September 30, 2016 is for the purchase of District iPads for student use. The present value of the lease payments at June 30, 2017 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2018	\$ 42,636
2019	42,637
2020	42,637
Total Minimum Lease Payments	127,910
Less: Amount Representing Interest	8,980
Present Value Net Minimum Lease Payments	<u>\$ 118,930</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

General Obligation Debt (Continued)

Annual debt service fund cash flow requirements for retirement of the above long-term debt principal and interest at June 30, 2017 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,630,000	\$ 104,780	\$ 1,734,780
2018	955,000	76,231	1,031,231
2019	980,000	55,389	1,035,389
2020	1,000,000	29,211	1,029,211
2021	95,000	11,599	106,599
2022-2024	205,000	9,646	214,646
Total	<u>\$ 4,865,000</u>	<u>\$ 286,856</u>	<u>\$ 5,151,856</u>

The 2016 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$865,866,416. The legal debt limit and margin of indebtedness as of June 30, 2017 in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$845,020,578)	\$ 86,586,642
Deduct Long-Term Debt Applicable to Debt Margin	<u>4,865,000</u>
Margin of Indebtedness	<u>\$ 81,721,642</u>

Capital Lease Payable

At June 30, 2017, the District had two capital lease obligations outstanding. A lease dated July 1, 2015 in the amount of \$137,259 is for the purchase of a telephone system. A lease dated September 30, 2016 is for the purchase of District iPads for student use. The present value of the lease payments at June 30, 2017 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>
2018	\$ 42,636
2019	42,637
2020	<u>42,637</u>
Total Minimum Lease Payments	127,910
Less: Amount Representing Interest	<u>8,980</u>
Present Value Net Minimum Lease Payments	<u>\$ 118,930</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Temporary Notes Payable

Changes in temporary notes payable of the District for the year ended June 30, 2017 were as follows:

Principal Outstanding at 7/1/16	Loan Proceeds	Repayments	Principal Outstanding at 6/30/17	Accrued Interest 6/30/17	Interest Expense	Interest Rate	Maturity Date
\$ -	\$ 500	\$ 500	\$ -	\$ -	\$ -	3.25%	10/31/17

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

On November 4, 2017, the District renewed the line of credit with a maximum draw limit of \$2,000,000. The renewed line of credit accrues interest at 3.25% and expires on October 31, 2018.

G. Governmental Fund Balances

The governmental fund balances reported on the fund financial statements at June 30, 2017 consisted of the following:

	Total	Restricted	Assigned	Unassigned
Major Funds:				
General Fund				
Assigned - CTE Project	\$ 479,148	\$ -	\$ 479,148	\$ -
Unassigned	2,674,075	-	-	2,674,075
Subtotal General Fund	3,153,223	-	479,148	2,674,075
Debt Service Payments	1,758,420	1,758,420	-	-
Nonmajor Funds:				
Special Revenue Funds:				
Education Trust Purposes	64,609	64,609	-	-
Food Service Purposes	252,653	252,653	-	-
Long-Term Capital Projects	500	500	-	-
Community Services Programs:				
Adult Education Purposes	2,478	2,478	-	-
Theatre Purposes	5,704	5,704	-	-
Day Care Purposes	(23,305)	-	-	(23,305)
Subtotal Nonmajor Funds	302,639	325,944	-	(23,305)
Total Governmental Funds Balances at June 30, 2017	\$ 5,214,282	\$ 2,084,364	\$ 479,148	\$ 2,650,770

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION

A. Wisconsin Retirement System Pension Plan Benefits

General Information about the Pension Plan

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

General Information about the Pension Plan (Continued)

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

During the District's fiscal year reporting period July 1, 2016 through June 30, 2017, the WRS recognized \$691,268 in contributions from the employer.

Contribution rates as of June 30, 2017 are:

	Employee	Employer
General (including Teachers)	6.8%	6.8%

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2007	3.0%	10.0%
2008	6.6	-
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

At June 30, 2017, the District reported a liability of \$597,345 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015 and rolled forward to December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers. At December 31, 2016, the District's proportion was 0.07247229 percent, which was a decrease of 0.001334045 from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$1,554,803. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 227,768	\$ 1,878,597
Change in Assumptions	624,547	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,973,392	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	59,988	-
District Contributions Subsequent to the Measurement Date	359,186	-
Total	\$ 4,244,881	\$ 1,878,597

\$359,186 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a decrease to the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Pension Expense Amount
2018	\$ 809,875
2019	809,875
2020	557,290
2021	(171,266)
2022	1,324
Thereafter	-

SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

Actuarial assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Liability (Asset):	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age
Amortization Period:	30-Year Closed
Asset Valuation Method:	5-Year Smoothed Value
Inflation:	2.0% to 2.7% - approximate
Salary Increases:	3.2% to 8.8% including inflation
Investment Rate of Return - Retired	5.0%
Investment Rate of Return - Active Post-Retirement	5.0%
Investment Rate of Return - Active Pre-Retirement	7.2%
Mortality:	WRS experience projected to 2017 with scale BB

Actuarial assumptions are based upon an experience study conducted in 2013 using experience from 2010 – 2012.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

Asset Class	Core Asset Allocation		Variable Asset Allocation	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21.0%	5.3%	70%	5.3%
International Equity	23.0%	5.7%	30%	5.7%
Fixed Income	36.0%	1.7%	N/A	N/A
Inflation Sensitive Assets	20.0%	2.3%	N/A	N/A
Real Estate	7.0%	4.2%	N/A	N/A
Private Equity/Debt	7.0%	6.9%	N/A	N/A
Multi-Asset	6.0%	3.9%	N/A	N/A
Cash	-20.0%	0.9%	N/A	N/A
Totals	100%		100%	

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Wisconsin Retirement System Pension Plan Benefits (Continued)

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

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

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,858,453	\$ 597,345	\$ (4,994,037)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 17-16.

B. Other Postemployment Benefit Other than Pensions (OPEB)

The District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, 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 employee.

Benefits provided

Administrators & Teachers: At least age 56 with a minimum of 15 years of service and hired prior to July 1, 2004. The District shall contribute \$9,000 annually to retirees Premium Only HRA for 8 years or until Medicare eligibility; whichever occurs first.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Benefits provided (Continued)

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms.

Inactive plan members or beneficiaries currently receiving benefit payments	21
Active plan members	130
	<u>151</u>

Contributions

Per the District's Trust Agreement the District shall make contributions to the Trust from time to time as required per contractual agreement, and, in addition, such other contributions, if any, as it may determine in its discretion. For the year ended June, 30, 2017, the District's average contribution rate was 2.97 percent of covered-employee payroll.

Investments

Investment policy. The District's policy in regard to the allocation of invested assets is established and may be amended by the School Board by a majority vote of its members. It is the policy of the School Board that all investments shall be made and administered in compliance with legal requirements, sections 25.50, 34.05, 34.08, 66.06.07, 120.11(3), 120.12(7), 120.16(5) Wisconsin State Statutes and other regulatory authorities. The District's asset allocation policy as of June 30, 2017 was comprised entirely of fixed annuity investments.

Rate of Return. For the year ended June 30, 2017, the annual money-weighted rate of return, net of investment expense, was 1.77 percent.

Net OPEB Liability

Total OPEB Liability - Ending (a)	\$ 1,990,503
Plan Fiduciary Net Position - Ending (b)	<u>594,809</u>
District's Net OPEB Liability - Ending (a) - (b)	<u>\$ 1,395,694</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.88%

The District's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age
Amortization Method	Level %
Remaining Amortization Period	30 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases:	3.00%
Investment Rate of Return	3.50%
Discount Rate	3.50%
Retirement Age	Early Retirement - Age 55 years Regular Retirement - Age 57 (30 or more years of service)
Assumed Rate of Return on Plan Assets	3.50%
Plan Participation of Future Retirees	100%
Mortality	Wisconsin 2012 Mortality Table 7.50% decreasing 0.5% per year to 6.5% then by .1% to 5.0% thereafter
Healthcare Cost Trend Rates	

The long-term expected rate of return on OPEB plan investments was determined based on the District's investment in a fixed annuity account which has a guaranteed minimum rate of return of not less than 3.50 percent. Given this information and based upon the actuary's determination that the level of asset in the District's trust will remain sufficient to pay future retiree benefits, the District determined a 3.50 percent long-term expected rate of return to be reasonable for valuation purposes. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of
Fixed Annuity	100%	3.50%

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.5 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Further, the discount rate was determined by looking at actual investment returns for the last three years and take the rounded average, therefore a discount rate of 3.5 percent was used in calculating the District's OPEB liabilities.

Changes in the Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2016	\$ 2,101,165	\$ 652,134	\$ 1,449,031
Changes for the year:			
Service Cost	61,392	-	61,392
Interest	70,373	-	70,373
Contributions - Employer	-	175,428	(175,428)
Contributions - Employee	-	-	-
Net Investment Income	-	9,674	(9,674)
Benefit Payments	(242,427)	(242,427)	-
Net Changes	(110,662)	(57,325)	(53,337)
Balances at June 30, 2017	<u>\$ 1,990,503</u>	<u>\$ 594,809</u>	<u>\$ 1,395,694</u>

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.5 percent) or 1-percentage-point higher (4.5 percent) than the current discount rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 2,065,462	\$ 1,990,503	\$ 1,916,472
Fiduciary Net Position	594,809	594,809	594,809
Net OPEB Liability	<u>\$ 1,470,653</u>	<u>\$ 1,395,694</u>	<u>\$ 1,321,663</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Other Postemployment Benefit Other than Pensions (OPEB) (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability of the District, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Total OPEB Liability	\$ 1,967,854	\$ 1,990,503	\$ 2,016,310
Fiduciary Net Position	594,809	594,809	594,809
Net OPEB Liability	<u>\$ 1,373,045</u>	<u>\$ 1,395,694</u>	<u>\$ 1,421,501</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2017, the District recognized OPEB expense of \$122,091. At June 30, 2017, the District did not report deferred outflows of resources or deferred inflows of resources related to OPEB.

The Plan does not issue separate financial statements.

C. Supplemental Pension Plan

Single-Employer Plan Description

The District offers a supplemental pension plan for administrators and teachers that were hired prior to July 1, 2004 with a stipend in an amount ranging from \$2,000-\$8,000 (based on year of retirement) upon their retirement if retired before the end of the 2017-2018 school year. This stipend will be paid out in one lump sum. There were approximately 23 active participants and 5 retirees under this plan.

Funding Policy

The District funds its OPEB obligation by paying actuarially determined amounts on a pay-as-you go basis.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Net Pension Liability

The valuation date is June 30, 2016 and the measurement date is June 30, 2017.

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

Actuary Cost Method:	Entry Age Normal
Amortization Method:	Level Percent of Salary
Discount Rate:	3.50%
Asset Valuation Method:	Market Value
Inflation:	2.50%
Salary Increases:	3.00%
Plan Participation:	100% of future retirees

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.

The pension plan assets held in trust are cash and cash equivalents.

Changes in the Net Pension Liability

	Total OPEB Liability
Total Pension Liability - June 30, 2016	\$ 40,018
Changes for the Year:	
Service Cost	458
Interest	1,199.00
Benefit Payments	(12,000.00)
Net Changes	(10,343.00)
Total Pension Liability - June 30, 2017	\$ 29,675

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Supplemental Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the net pension liability of the District, calculated using the discount rate of 3.50%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate).

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total Supplemental Pension Liability	\$ 29,368	\$ 29,675	\$ 29,974

Supplemental Pension Plan Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Supplemental Pension Plan

For the year ended June 30, 2017, the District recognized pension expense of \$1,657. At June 30, 2017, the District did not report deferred outflows of resources or deferred inflows of resources related to the Supplemental Pension plan.

The Plan does not issue separate financial statements.

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, 2017 was \$13,848 and \$748,148, 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.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

E. Employee Benefit Fund

The District has established an employee benefit trust fund to account for resources placed into a trust to assist in funding the District's early retirement benefit obligations (see Note 4.A). The District contributed \$293,939 during 2016-17. The employee benefit trust fund had net position of \$594,809 at June 30, 2017.

F. Limitation on School District Revenues

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

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

G. Risk Management

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (CONTINUED)

H. Change in Accounting Principles

During the year ended June 30, 2017, the District adopted GASB Statements No. 73 and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This pronouncement requires the restatement of the June 30, 2016, net position of the governmental activities as shown as follows:

	Governmental Activities
Net Position, June 30, 2016, as Previously Reported	\$ 17,470,868
Cumulative Affect of Application of GASB 73, Net Supplemental Pension Liability	(60,631)
Cumulative Affect of Application of GASB 75, Net OPEB Liability	<u>(571,353)</u>
Net Position, June 30, 2016, as Restated	<u>\$ 16,838,884</u>

I. Referendum

During the spring election, of the year ended June 30, 2017, the voters of the District approved a referendum to exceed the revenue cap commencing with the 2017-2018 school year by an amount of \$1,900,000.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Local Sources:				
Property Taxes	\$ 7,113,785	\$ 7,113,785	\$ 7,113,785	\$ -
Other Local Sources	165,400	165,400	200,242	34,842
Interdistrict Sources	707,423	707,423	671,293	(36,130)
Intermediate Sources	8,465	8,465	31,340	22,875
State Sources	10,014,108	10,014,108	10,059,946	45,838
Federal Sources	686,676	686,676	649,347	(37,329)
Other Sources	374,474	374,474	410,807	36,333
Total Revenues	<u>19,070,331</u>	<u>19,070,331</u>	<u>19,136,760</u>	<u>66,429</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,790,755	3,790,755	3,723,278	67,477
Regular Curriculum	3,856,535	3,973,035	3,903,899	69,136
Vocational Curriculum	670,642	670,642	712,992	(42,350)
Physical Curriculum	383,652	383,652	367,850	15,802
Special Education Curriculum	1,856,150	1,856,150	1,694,174	161,976
Co-Curricular Activities	368,103	368,103	394,499	(26,396)
Other Special Needs	118,520	118,520	117,607	913
Total Instruction	<u>11,044,357</u>	<u>11,160,857</u>	<u>10,914,299</u>	<u>246,558</u>
Support Services:				
Pupil Services	761,339	761,339	755,049	6,290
Instructional Staff Services	747,704	747,704	755,115	(7,411)
General Administration	811,977	645,153	1,104,568	(459,415)
School Building Administration	799,145	799,145	780,601	18,544
Business Administration	3,128,017	3,128,017	3,226,914	(98,897)
Central Services	246,486	296,810	282,103	14,707
Insurance and Judgments	154,857	154,857	174,090	(19,233)
Debt Services	48,462	48,462	50,664	(2,202)
Other Support Services	325,752	325,752	161,163	164,589
Total Support Services	<u>7,023,739</u>	<u>6,907,239</u>	<u>7,290,267</u>	<u>(383,028)</u>
Non-Program:				
Purchased Instructional Services	1,050,875	1,050,875	992,275	58,600
Other Non-Program	-	-	-	-
Total Non-Program	<u>1,050,875</u>	<u>1,050,875</u>	<u>992,275</u>	<u>58,600</u>
Total Expenditures	<u>19,118,971</u>	<u>19,118,971</u>	<u>19,196,841</u>	<u>(77,870)</u>
EXCESS OF REVENUES OVER EXPENDITURES	(48,640)	(48,640)	(60,081)	(11,441)
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	48,640	48,640	48,640	-
Transfers Out	-	-	(500)	(500)
Total Other Financing Sources (Uses)	<u>48,640</u>	<u>48,640</u>	<u>48,140</u>	<u>(500)</u>
NET CHANGE IN FUND BALANCE	-	-	(11,941)	(11,941)
Fund Balance, Beginning of Year	<u>3,165,164</u>	<u>3,165,164</u>	<u>3,165,164</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,165,164</u>	<u>\$ 3,165,164</u>	<u>\$ 3,153,223</u>	<u>\$ (11,941)</u>

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

Measurement date as of December, 31	2015	2016	2017
District's proportion of the net pension liability (asset)	0.07564503%	0.07381274%	0.07247229%
District's proportionate share of the net pension liability (asset)	\$ (1,858,049)	\$ 1,199,443	\$ 597,345
District's covered payroll	\$ 10,375,540	\$ 10,210,179	\$ 10,324,757
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-17.91%	11.75%	5.79%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	92.20%	99.12%

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

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

	Fiscal year Ending June, 30 2015	Fiscal year Ending June, 30 2016	Fiscal year Ending June, 30 2017
Contractually Required Contribution	\$ 709,889	\$ 686,989	\$ 691,268
Contributions in Relation to the Contractually Required Contributions	(709,889)	(686,989)	(691,268)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 10,290,643	\$ 10,258,158	\$ 10,313,690
Contributions as a Percentage of Covered Payroll	6.90%	6.70%	6.70%

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

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

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF DISTRICT'S CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED
RATIOS
LAST TEN FISCAL YEARS
(Schedule is Presented Prospectively from Implementation)**

	2017
Total OPEB Liability	
Service Cost	\$ 61,392
Interest	70,373
Benefit Payments	<u>(242,427)</u>
Net Change in Total OPEB Liability	(110,662)
Total OPEB Liability - Beginning	2,101,165
Total OPEB Liability - Ending (a)	<u><u>\$ 1,990,503</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 175,428
Net Investment Income	9,674
Benefit Payments	<u>(242,427)</u>
Net Change in Plan Fiduciary Net Position	(57,325)
Plan Fiduciary Net Position - Beginning	652,134
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 594,809</u></u>
District's Net OPEB Liability - Ending (a) - (b)	<u><u>\$ 1,395,694</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	29.88%
Covered Payroll	\$ 5,900,977
District's Net OPEB Liability as a Percentage of Covered Payroll	23.65%

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – OTHER POST EMPLOYMENT BENEFITS PLAN
LAST TEN FISCAL YEARS
(Schedule is Presented Prospectively from Implementation)**

	2017
Actuarially Determined Contribution (ADC)	\$ 178,077
Contributions in Relation to the Actuarially Determined Contribution	175,428
Contribution Deficiency (Excess)	\$ 2,649
 District's Covered Payroll	 \$ 5,900,977
 Contribuionts as a Percentage of Covered Payroll	 2.97%

Changes of Benefit Terms. There were no changes of benefit terms for any participating employee in OPEB.

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

**SCHOOL DISTRICT OF AMERY
 AMERY, WISCONSIN
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS –
 SUPPLEMENTAL PENSION PLAN
 LAST TEN FISCAL YEARS
 (Schedule is Presented Prospectively from Implementation)**

		2017
Total Pension Liability		
Service Cost	\$	458
Interest		1,199
Benefit Payments		(12,000)
Net Changes		(10,343)
Total Pension Liability - Beginning		40,018
Total Pension Liability - Ending	\$	29,675
Covered Employee Payroll	\$	1,618,548
Total Pension Liability as a Percentage of Covered Employee Payroll		1.83%

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

BUDGETARY INFORMATION

GASB Statement No. 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.

COMBINING AND INDIVIDUAL FUND STATEMENTS

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
COMBINING BUDGETARY COMPARISON SCHEDULE
FUND 10 AND FUND 27
YEAR ENDED JUNE 30, 2017**

	Original Budgets				Final Budgets				Actuals			
	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals	Fund 10	Fund 27	Elimination	Totals
	General	Special			General	Special			General	Special		
	Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments		Fund	Education Fund	Adjustments	
REVENUES												
Local Sources:												
Property Taxes	\$ 7,113,785	\$ -	\$ -	\$ 7,113,785	\$ 7,113,785	\$ -	\$ -	\$ 7,113,785	\$ 7,113,785	\$ -	\$ -	\$ 7,113,785
Other Local Sources	165,400	-	-	165,400	165,400	-	-	165,400	200,242	-	-	200,242
Interdistrict Sources	707,423	-	-	707,423	707,423	-	-	707,423	671,293	-	-	671,293
Intermediate Sources	6,917	1,548	-	8,465	6,917	1,548	-	8,465	30,258	1,082	-	31,340
State Sources	9,505,627	508,481	-	10,014,108	9,505,627	508,481	-	10,014,108	9,553,575	506,371	-	10,059,946
Federal Sources	311,818	374,858	-	686,676	311,818	374,858	-	686,676	295,470	353,877	-	649,347
Other Sources	374,474	-	-	374,474	374,474	-	-	374,474	410,807	-	-	410,807
Total Revenues	18,185,444	884,887	-	19,070,331	18,185,444	884,887	-	19,070,331	18,275,430	861,330	-	19,136,760
EXPENDITURES												
Instruction:												
Undifferentiated Curriculum	3,790,755	-	-	3,790,755	3,790,755	-	-	3,790,755	3,723,278	-	-	3,723,278
Regular Curriculum	3,856,535	-	-	3,856,535	3,973,035	-	-	3,973,035	3,903,899	-	-	3,903,899
Vocational Curriculum	670,642	-	-	670,642	670,642	-	-	670,642	712,942	50	-	712,992
Physical Curriculum	383,652	-	-	383,652	383,652	-	-	383,652	367,850	-	-	367,850
Special Education Curriculum	-	1,856,150	-	1,856,150	-	1,856,150	-	1,856,150	-	1,694,174	-	1,694,174
Co-Curricular Activities	368,103	-	-	368,103	368,103	-	-	368,103	394,499	-	-	394,499
Other Special Needs	118,520	-	-	118,520	118,520	-	-	118,520	117,607	-	-	117,607
Total Instruction	9,188,207	1,856,150	-	11,044,357	9,304,707	1,856,150	-	11,160,857	9,220,075	1,694,224	-	10,914,299
Support Services:												
Pupil Services	498,482	262,857	-	761,339	498,482	262,857	-	761,339	496,389	258,660	-	755,049
Instructional Staff Services	526,561	221,143	-	747,704	526,561	221,143	-	747,704	528,541	226,574	-	755,115
General Administration	811,977	-	-	811,977	645,153	-	-	645,153	1,104,568	-	-	1,104,568
School Building Administration	799,145	-	-	799,145	799,145	-	-	799,145	780,601	-	-	780,601
Business Administration	3,059,867	68,150	-	3,128,017	3,059,867	68,150	-	3,128,017	3,158,957	67,957	-	3,226,914
Central Services	245,986	500	-	246,486	296,310	500	-	296,810	282,103	-	-	282,103
Insurance and Judgments	154,357	500	-	154,857	154,357	500	-	154,857	174,090	-	-	174,090
Debt Services	48,462	-	-	48,462	48,462	-	-	48,462	44,563	6,101	-	50,664
Other Support Services	325,752	-	-	325,752	325,752	-	-	325,752	161,163	-	-	161,163
Total Support Services	6,470,589	553,150	-	7,023,739	6,354,089	553,150	-	6,907,239	6,730,975	559,292	-	7,290,267
Non-Program:												
Purchased Instructional Services	1,046,454	4,421	-	1,050,875	1,046,454	4,421	-	1,050,875	986,192	6,083	-	992,275
Other Non-Program	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-Program	1,046,454	4,421	-	1,050,875	1,046,454	4,421	-	1,050,875	986,192	6,083	-	992,275
Total Expenditures	16,705,250	2,413,721	-	19,118,971	16,705,250	2,413,721	-	19,118,971	16,937,242	2,259,599	-	19,196,841
EXCESS OF REVENUES OVER EXPENDITURES	1,480,194	(1,528,834)	-	(48,640)	1,480,194	(1,528,834)	-	(48,640)	1,338,188	(1,398,269)	-	(60,081)
OTHER FINANCING SOURCES (USES)												
Capital Lease Proceeds	48,640	-	-	48,640	48,640	-	-	48,640	48,640	-	-	48,640
Transfers In	-	1,528,834	(1,528,834)	-	-	1,528,834	(1,528,834)	-	-	1,398,269	(1,398,269)	-
Transfers Out	(1,528,834)	-	1,528,834	-	(1,528,834)	-	1,528,834	-	(1,398,769)	-	1,398,269	(500)
Total Other Financing Sources (Uses)	(1,480,194)	1,528,834	-	48,640	(1,480,194)	1,528,834	-	48,640	(1,350,129)	1,398,269	-	48,140
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	-	-	(11,941)	-	-	(11,941)
Fund Balance, Beginning of Year	3,165,164	-	-	3,165,164	3,165,164	-	-	3,165,164	3,165,164	-	-	3,165,164
FUND BALANCE, END OF YEAR	\$ 3,165,164	\$ -	\$ -	\$ 3,165,164	\$ 3,165,164	\$ -	\$ -	\$ 3,165,164	\$ 3,153,223	\$ -	\$ -	\$ 3,153,223

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 10
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Property Taxes	\$ 7,113,785	\$ 7,113,785	\$ 7,113,785	\$ -
Other Local Sources	165,400	165,400	200,242	34,842
Interdistrict Sources	707,423	707,423	671,293	(36,130)
Intermediate Sources	6,917	6,917	30,258	23,341
State Sources	9,505,627	9,505,627	9,553,575	47,948
Federal Sources	311,818	311,818	295,470	(16,348)
Other Sources	374,474	374,474	410,807	36,333
Total Revenues	<u>18,185,444</u>	<u>18,185,444</u>	<u>18,275,430</u>	<u>89,986</u>
EXPENDITURES				
Instruction:				
Undifferentiated Curriculum	3,790,755	3,790,755	3,723,278	67,477
Regular Curriculum	3,856,535	3,973,035	3,903,899	69,136
Vocational Curriculum	670,642	670,642	712,942	(42,300)
Physical Curriculum	383,652	383,652	367,850	15,802
Co-Curricular Activities	368,103	368,103	394,499	(26,396)
Other Special Needs	118,520	118,520	117,607	913
Total Instruction	<u>9,188,207</u>	<u>9,304,707</u>	<u>9,220,075</u>	<u>84,632</u>
Support Services:				
Pupil Services	498,482	498,482	496,389	2,093
Instructional Staff Services	526,561	526,561	528,541	(1,980)
General Administration	811,977	645,153	1,104,568	(459,415)
School Building Administration	799,145	799,145	780,601	18,544
Business Administration	3,059,867	3,059,867	3,158,957	(99,090)
Central Services	245,986	296,310	282,103	14,207
Insurance and Judgments	154,357	154,357	174,090	(19,733)
Debt Services	48,462	48,462	44,563	3,899
Other Support Services	325,752	325,752	161,163	164,589
Total Support Services	<u>6,470,589</u>	<u>6,354,089</u>	<u>6,730,975</u>	<u>(376,886)</u>
Non-Program:				
Purchased Instructional Services	1,046,454	1,046,454	986,192	60,262
Other Non-Program	-	-	-	-
Total Non-Program	<u>1,046,454</u>	<u>1,046,454</u>	<u>986,192</u>	<u>60,262</u>
Total Expenditures	<u>16,705,250</u>	<u>16,705,250</u>	<u>16,937,242</u>	<u>(231,992)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,480,194	1,480,194	1,338,188	(142,006)
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	48,640	48,640	48,640	-
Transfers Out	(1,528,834)	(1,528,834)	(1,398,769)	130,065
Total Other Financing Sources (Uses)	<u>(1,480,194)</u>	<u>(1,480,194)</u>	<u>(1,350,129)</u>	<u>130,065</u>
NET CHANGE IN FUND BALANCE	-	-	(11,941)	(11,941)
Fund Balance, Beginning of Year	3,165,164	3,165,164	3,165,164	-
FUND BALANCE, END OF YEAR	\$ 3,165,164	\$ 3,165,164	\$ 3,153,223	\$ (11,941)

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
BUDGETARY COMPARISON SCHEDULE
FUND 27
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance With
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Local Sources:				
Intermediate Sources	\$ 1,548	\$ 1,548	\$ 1,082	\$ (466)
State Sources	508,481	508,481	506,371	(2,110)
Federal Sources	374,858	374,858	353,877	(20,981)
Total Revenues	<u>884,887</u>	<u>884,887</u>	<u>861,330</u>	<u>(23,557)</u>
EXPENDITURES				
Instruction:				
Vocational Curriculum	-	-	50	(50)
Special Education Curriculum	1,856,150	1,856,150	1,694,174	161,976
Total Instruction	<u>1,856,150</u>	<u>1,856,150</u>	<u>1,694,224</u>	<u>161,926</u>
Support Services:				
Pupil Services	262,857	262,857	258,660	4,197
Instructional Staff Services	221,143	221,143	226,574	(5,431)
Business Administration	68,150	68,150	67,957	193
Central Services	500	500	-	500
Insurance and Judgments	500	500	-	500
General Administration	-	-	6101	(6,101)
Total Support Services	<u>553,150</u>	<u>553,150</u>	<u>559,292</u>	<u>(6,142)</u>
Non-Program:				
Purchased Instructional Services	4,421	4,421	6,083	(1,662)
Total Non-Program	<u>4,421</u>	<u>4,421</u>	<u>6,083</u>	<u>(1,662)</u>
Total Expenditures	<u>2,413,721</u>	<u>2,413,721</u>	<u>2,259,599</u>	<u>154,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,528,834)	(1,528,834)	(1,398,269)	130,565
OTHER FINANCING SOURCES				
Transfers In	<u>1,528,834</u>	<u>1,528,834</u>	<u>1,398,269</u>	<u>(130,565)</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

	Special Revenue Funds					Long-Term Capital Projects	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services Adult Education	Theatre	Day Care		
ASSETS							
Cash and Investments	\$ 64,609	\$ 239,261	\$ 1,665	\$ 5,704	\$ -	\$ 500	\$ 311,739
Accounts Receivable	-	2,396	-	-	15,798	-	18,194
Due from Other Governments	-	30,672	-	-	-	-	30,672
Due from Fiduciary Funds	-	-	813	-	-	-	813
Total Assets	\$ 64,609	\$ 272,329	\$ 2,478	\$ 5,704	\$ 15,798	\$ 500	\$ 361,418
LIABILITIES AND FUND BALANCES							
Liabilities:							
Due to Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ 39,103	\$ -	\$ 39,103
Unearned Revenues	-	19,676	-	-	-	-	19,676
Total Liabilities	-	19,676	-	-	39,103	-	58,779
Fund Balances:							
Restricted	64,609	252,653	2,478	5,704	-	500	325,944
Unassigned	-	-	-	-	(23,305)	-	(23,305)
Total Fund Balances	64,609	252,653	2,478	5,704	(23,305)	500	302,639
Total Liabilities and Fund Balances	\$ 64,609	\$ 272,329	\$ 2,478	\$ 5,704	\$ 15,798	\$ 500	\$ 361,418

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds					Long-Term Capital Projects	Total Nonmajor Governmental Funds
	Education Trust	Food Service	Community Services Adult Education	Theatre	Day Care		
REVENUES							
Local Sources:							
Property Taxes	\$ -	\$ -	\$ 92,000	\$ -	\$ 12,000	\$ -	\$ 104,000
Other Local Sources	51,867	448,993	62,004	2,637	483,302	-	1,048,803
State Sources	-	19,988	-	-	-	-	19,988
Federal Sources	-	514,883	-	-	-	-	514,883
Other Sources	354	688	830	-	-	-	1,872
Total Revenues	<u>52,221</u>	<u>984,552</u>	<u>154,834</u>	<u>2,637</u>	<u>495,302</u>	<u>-</u>	<u>1,689,546</u>
EXPENDITURES							
Instruction:							
Regular Instruction	33,558	-	-	-	-	-	33,558
Special Instruction	11,945	-	-	-	-	-	11,945
Other Instruction	5,703	-	-	-	-	-	5,703
Support Services:							
General Administration	-	-	77,678	-	-	-	77,678
School Building Administration	1,430	-	-	-	-	-	1,430
Operation and Maintenance of Plant	1,000	-	-	-	-	-	1,000
Food Service	-	896,847	-	-	-	-	896,847
Community Services	-	-	70,713	3,765	495,745	-	570,223
Total Expenditures	<u>53,636</u>	<u>896,847</u>	<u>148,391</u>	<u>3,765</u>	<u>495,745</u>	<u>-</u>	<u>1,598,384</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,415)	87,705	6,443	(1,128)	(443)	-	91,162
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	500	500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
NET CHANGE IN FUND BALANCES	(1,415)	87,705	6,443	(1,128)	(443)	500	91,662
Fund Balances, Beginning of Year	66,024	164,948	(3,965)	6,832	(22,862)	-	210,977
FUND BALANCES, END OF YEAR	<u>\$ 64,609</u>	<u>\$ 252,653</u>	<u>\$ 2,478</u>	<u>\$ 5,704</u>	<u>\$ (23,305)</u>	<u>\$ 500</u>	<u>\$ 302,639</u>

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
DEBT SERVICE FUND
DETAILED BALANCE SHEET
JUNE 30, 2017**

	Referendum Debt Service	Non-Referendum Debt Service	Total
ASSETS			
Cash and Investments	\$ 1,660,806	\$ 100,314	\$ 1,761,120
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to General Fund	2,700	-	2,700
Fund Balances:			
Restricted	1,658,106	100,314	1,758,420
Total Liabilities and Fund Balances	\$ 1,660,806	\$ 100,314	\$ 1,761,120

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
DEBT SERVICE FUND
DETAILED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
YEAR ENDED JUNE 30, 2017**

	<u>Referendum Debt Service</u>	<u>Non-Referendum Debt Service</u>	<u>Total</u>
REVENUES			
Local Sources:			
Property Taxes	\$ 2,152,588	\$ 111,683	\$ 2,264,271
Other Local Sources	588	-	588
Total Revenues	<u>2,153,176</u>	<u>111,683</u>	<u>2,264,859</u>
EXPENDITURES			
Debt Service:			
Principal Retirement	2,300,000	80,000	2,380,000
Interest and Fiscal Fees	127,288	27,903	155,191
Debt Issuance Costs	22,185	-	22,185
Total Expenditures	<u>2,449,473</u>	<u>107,903</u>	<u>2,557,376</u>
NET CHANGE IN FUND BALANCES	(296,297)	3,780	(292,517)
Fund Balances, Beginning of Year	<u>1,954,403</u>	<u>96,534</u>	<u>2,050,937</u>
FUND BALANCES, END OF YEAR	<u>\$ 1,658,106</u>	<u>\$ 100,314</u>	<u>\$ 1,758,420</u>

**SCHOOL DISTRICT OF AMERY
 AMERY, WISCONSIN
 STUDENT ACTIVITY FUNDS
 STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
 CHANGE IN BALANCES
 YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
ASSETS				
Cash and Investments	<u>\$ 133,353</u>	<u>\$ 454,545</u>	<u>\$ 438,921</u>	<u>\$ 148,977</u>
LIABILITIES				
Accounts Payable	\$ -	\$ 187,513	\$ 187,513	\$ -
Due to Student Organizations:	<u>133,353</u>	<u>267,032</u>	<u>251,408</u>	<u>148,977</u>
Total Liabilities	<u>\$ 133,353</u>	<u>\$ 454,545</u>	<u>\$ 438,921</u>	<u>\$ 148,977</u>

SINGLE AUDIT SECTION

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

Federal Grantor/ Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity	Pass-Through Entity Identifying Number	Accrued Receivable (Deferred Revenue) July 1, 2016	Expenditures	Grant Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2017
<u>U.S. Department of Agriculture</u>							
Child Nutrition Cluster:							
School Breakfast Program:	10.553	WI DPI	x Not Available	\$ 1,248	\$ 121,948	\$ 123,196	\$ -
National School Lunch Program							
National School Lunch Program:	10.555	WI DPI	x 2017-480119-NSL-547	3,138	284,525	287,663	-
Commodity Handling	10.555	WI DPI	x Not Available	-	59,095	59,095	-
Total National School Lunch Program				3,138	343,620	346,758	-
Summer Food Service Program:	10.559	WI DPI	x 2017-480119-SFSP-586	24,423	49,315	43,066	30,672
Total Child Nutrition Cluster				28,809	514,883	513,020	30,672
Total Department of Agriculture				28,809	514,883	513,020	30,672
<u>U.S. Department of Education</u>							
Title I:	84.010						
Title I, Part A		WI DPI	17-480119-Title I-141	61,502	162,279	223,781	-
Total Title I Program				61,502	162,279	223,781	-
Special Education Cluster:							
Special Education Grants to States:							
IDEA Flow Through: CEIS Entitlement	84.027	CESA 11	x Not Available	19,335	-	19,335	-
IDEA Flow Through		WI DPI	x 2017-480119-IDEA-341	216,405	306,031	369,122	153,314
Total Special Education Grants to States				235,740	306,031	388,457	153,314
Special Education - Preschool Grants	84.173						
IDEA Preschool Entitlement:		WI DPI	x 17-480119-Pre-S-347	-	12,612	12,612	-
Total Special Education Cluster				235,740	318,643	401,069	153,314
Title III - Immigrant Child/Youth Grant:	84.365						
ESEA Title II-A Teacher and Principal Training and Recruiting Fund:	84.367	CESA 11	17-480119-Title II-365	13,999	67,057	81,056	-
Learn and Service America:							
Youth Service Learning Mini Grant	94.004	CESA 11	Not Available	-	23,600	-	23,600
Total Department of Education				311,241	571,579	705,906	176,914

X = Major Federal 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, 2017**

Award Agency/ Pass-Through Agency/Award Description	State I.D. Number	Pass-Through Entity Identifying Number	Accrued Receivable (Deferred Revenue) July 1, 2016	Expenditures	State Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2017
<u>Wisconsin Department of Public Instruction</u>						
Cost Reimbursement Programs - Nonmajor:						
Direct Grant:						
Youth Alcohol and Other Drug Abuse	255.306	LEA-143	\$ 9,729	\$ 15,000	\$ 24,729	\$ -
Youth Alcohol and Other Drug Abuse Mini Grant	255.321	LEA-142	-	1,000	1,000	-
Educator Effectiveness Grant	255.940	LEA-154	10,560	10,320	20,880	-
Career and Technical Education Incentive Grant	255.950	LEA-152	-	30,115	30,115	-
Reading Readiness	255.956	LEA-166	-	2,609	2,609	-
Cooperative Educational Service Agency No. 11:						
Teach Grant	275.109	Not Available	-	25,589	20,582	5,007
Total Cost Reimbursement Programs			<u>\$ 20,289</u>	<u>\$ 84,633</u>	<u>99,915</u>	<u>\$ 5,007</u>
<u>Wisconsin Department of Public Instruction</u>						
Entitlement Programs:						
Major State Programs:						
Handicapped Pupils and School Age Parents:	255.101	LEA-100	[1]		505,910	
Less Other District's Portion						
Participant in Package Program at CESA No. 11					1,082	
Total Handicapped Program					<u>506,992</u>	
Pupil Transportation	255.107	LEA-102			72,662	
General Equalization	255.201	LEA-116			8,559,549	[2]
Achievement Gap Reduction	255.504	LEA-160			420,742	
Per Pupil Adjustment Aid	255.945	LEA-113			630,250	
Total Major Programs					<u>10,190,195</u>	
Nonmajor State Programs:						
State Lunch	255.102	LEA-107			9,007	
Library Aid	255.103	LEA-104			56,060	
WI Morning Milk Program	255.109	LEA-109			2,612	
School Breakfast Program	255.344	LEA-108			8,369	
Transition Grant	255.960	LEA-168			461	
Total Nonmajor Programs					<u>76,509</u>	
Total State Financial Assistance					<u>\$ 10,366,619</u>	

[1] District's 2016-17 Aidable Costs Reported to DPI Totaled \$1,892,639.

[2] Includes \$145,924.00 Receivable at 6/30/17.

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, 2017**

NOTE 1 GENERAL

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

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 FOOD DISTRIBUTION

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

NOTE 4 MEDICAL ASSISTANCE

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



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**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, 2017, 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 27, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider items 2017-001 and 2017-002 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 27, 2017



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

Board of Education
School District of Amery
Amery, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited School District of Amery, Wisconsin's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. We have also audited the District's compliance with types of compliance requirements described in the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that are applicable to each of its major state programs (including federal programs required to be tested as major state programs) for the same period. The District's major federal programs and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance, and state guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal and State Programs

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
November 27, 2017

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? yes X none reported

Federal Awards

Internal control over major programs:

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

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

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

Identification of major Federal programs:

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

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

Auditee qualified as low-risk auditee? yes X no

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

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

State Awards

Internal control over major programs:

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

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

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

Identification of major State programs:

<u>State ID Number(s)</u>	<u>Name of State Program or Cluster</u>
255.101	Handicapped Pupils and School Age Parents
255.107	Pupil Transportation
255.201	General Equalization Aids
255.504	Achievement Gap Reduction

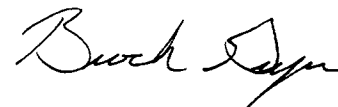
Dollar threshold used to distinguish between type A and type B programs: \$250,000

Auditee qualified as low-risk auditee? _____ yes X 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 27, 2017

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

PART II: FINDINGS RELATED TO THE FINANCIAL STATEMENTS:

FINDING: 2017-001 Limited Segregation of Duties

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

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

Context: The limited size of the District's staff responsible for accounting and financial duties 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.

Repeat Finding This is a repeat of the prior year finding 2016-002.

Recommendation: The District should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Views of Responsible Officials and Planned Corrective Actions: The District continues to work to achieve segregation of duties whenever cost effective. The District Administrator is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

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

FINDING: 2017-002 Material Audit Adjustments

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

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

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

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

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

Repeat Finding: This finding was not repeated from the prior year.

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: The District will continue to rely upon the audit firm to propose audit adjustments necessary to adjust accounts in accordance with GAAP. Management will review, approve and accept these entries prior to recording them. The District Administrator is the official responsible for ensuring corrective action of the deficiency.

**SCHOOL DISTRICT OF AMERY
AMERY, WISCONSIN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2017**

PART III: FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS:

None.

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

None.