SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN

ANNUAL FINANCIAL REPORT

JUNE 30, 2009

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
June 30, 2009

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Chilton, Wisconsin
June 30, 2009

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INDEPENDENT AUDITORS' REPORT ON BASIC FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND SCHEDULE OF STATE FINANCIAL ASSISTANCE

To the Board of Education
School District of Chilton
Chilton, Wisconsin

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Chilton, Wisconsin ("District") as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's Board of Education and management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2008 financial statements and, in our report dated October 13, 2008, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund and special education special revenue fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note D.2, the District has implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions, for the fiscal year ended June 30, 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The District has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements. The required supplemental information is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as supplemental information, and the accompanying schedule of expenditures of federal awards and schedule of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Certified Public Accountants
Green Bay, Wisconsin
November 10, 2009

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Net Assets
June 30, 2009
(With summarized financial information for June 30, 2008)

	Governmental Activities	Business-type Activities	Total 2009	Total 2008
ASSETS				
Cash and investments	$ 3,136,022	$ 152,315	$ 3,288,337	$ 3,524,797
Receivables				
Taxes	1,489,463	-	1,489,463	1,377,537
Accounts	151,090	1,360	152,450	11,235
Internal balances	-	-	-	318
Due from other governments	234,452	-	234,452	351,025
Inventories and prepaid items	320,547	-	320,547	94,153
Current portion of unconditional promises to give	92,250	-	92,250	87,187
	5,423,824	153,675	5,577,499	5,446,252
Capital Assets				
Land	46,510	-	46,510	46,510
Land improvements	1,445,762	-	1,445,762	1,445,762
Buildings	32,251,054	-	32,251,054	32,251,054
Machinery and equipment	3,665,503	398,435	4,063,938	3,639,557
Less: Accumulated depreciation	(9,783,482)	(223,947)	(10,007,429)	(9,113,123)
Total Capital Assets, net of accumulated depreciation	27,625,347	174,488	27,799,835	28,269,760
Non-current portion of unconditional promises to give	1,594,122	-	1,594,122	1,686,372
TOTAL ASSETS	34,643,293	328,163	34,971,456	35,402,384
LIABILITIES				
Current Liabilities				
Accounts payable	176,104	6,983	183,087	87,949
Accrued payroll liabilities	854,770	-	854,770	838,677
Accrued interest payable	260,623	-	260,623	280,943
Unearned revenues	6,000	14,592	20,592	12,933
Total Current Liabilities	1,297,497	21,575	1,319,072	1,220,502
Long-term Obligations				
Due within one year	1,304,510	-	1,304,510	1,220,000
Due in more than one year	22,604,436	-	22,604,436	24,182,075
Total Long-term Obligations	23,908,946	-	23,908,946	25,402,075
TOTAL LIABILITIES	25,206,443	21,575	25,228,018	26,622,577
NET ASSETS				
Invested in capital assets, net of related debt	3,735,347	174,488	3,909,835	3,974,760
Restricted for				
Debt service	2,348,075	-	2,348,075	2,674,653
Trust funds	6,274	-	6,274	10,896
Unrestricted	3,347,154	132,100	3,479,254	2,119,498
TOTAL NET ASSETS	$ 9,436,850	$ 306,588	$ 9,743,438	$ 8,779,807

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Activities
Year Ended June 30, 2009
(With summarized financial information for the year ended June 30, 2008)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
Instruction	$ 5,930,905	$ 599,021	$ 455,214
Support services	4,189,774	139,465	145,279
Interest and fiscal charges	1,318,351	-	-
Depreciation - unallocated	876,680	-	-
Non-program	867,275	-	-
Total Governmental Activities	13,182,985	738,486	600,493
Business-type Activities			
School food service program	522,977	394,019	192,775
Total School District	$ 13,705,962	$ 1,132,505	$ 793,268
General revenues			
Property taxes			
Other taxes			
State and federal aids not restricted to specific functions			
Interest and investment earnings			
Miscellaneous			
Total General Revenues			
Change in net assets			
Net assets - July 1			
Net assets - June 30			

The notes to the basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Business-type Activities	Total	
		2009	2008
$ (4,876,670)	$ -	$ (4,876,670)	$ (4,742,563)
(3,905,030)	-	(3,905,030)	(4,463,864)
(1,318,351)	-	(1,318,351)	(1,224,263)
(876,680)	-	(876,680)	(865,639)
(867,275)	-	(867,275)	(859,141)
(11,844,006)	-	(11,844,006)	(12,155,470)
-	63,817	63,817	2,780
(11,844,006)	63,817	(11,780,189)	(12,152,690)
4,684,525	-	4,684,525	4,367,956
2,647	-	2,647	438
7,992,691	-	7,992,691	8,113,943
44,160	-	44,160	105,571
19,797	-	19,797	303,256
12,743,820	-	12,743,820	12,891,164
899,814	63,817	963,631	738,474
8,537,036	242,771	8,779,807	8,041,333
$ 9,436,850	$ 306,588	$ 9,743,438	$ 8,779,807

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Balance Sheet
Governmental Funds
June 30, 2009
(With summarized financial information for June 30, 2008)

	General	Special Education	Debt Service	Other Governmental Funds	Total Governmental Funds 2009	Total Governmental Funds 2008
ASSETS						
Cash and investments	$ 2,409,669	$ 13,902	$ 661,703	$ 50,748	$ 3,136,022	$ 3,463,442
Receivables						
Taxes	1,489,463	-	-	-	1,489,463	1,377,537
Accounts	149,931	900	-	259	151,090	595
Due from other funds	-	-	-	-	-	318
Due from other governments	224,492	9,960	-	-	234,452	347,951
Inventories and prepaid items	259,326	-	-	-	259,326	94,153
TOTAL ASSETS	$ 4,532,881	$ 24,762	$ 661,703	$ 51,007	$ 5,270,353	$ 5,283,996
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 175,891	$ 72	$ -	$ 142	$ 176,105	$ 86,390
Accrued payroll	830,079	24,690	-	-	854,769	838,677
Deferred revenues	6,000	-	-	-	6,000	-
Total Liabilities	1,011,970	24,762	-	142	1,036,874	925,067
Fund Balances						
Reserved for						
Inventories and prepaid items	259,326	-	-	-	259,326	94,153
Debt service	-	-	661,703	-	661,703	901,094
Subsequent years budget	-	-	-	50,865	50,865	56,959
Unreserved						
Designated						
Capital projects	500,000	-	-	-	500,000	500,000
Working capital	2,761,585	-	-	-	2,761,585	2,806,723
Total Fund Balances	3,520,911	-	661,703	50,865	4,233,479	4,358,929
TOTAL LIABILITIES AND FUND BALANCES	$ 4,532,881	$ 24,762	$ 661,703	$ 51,007	$ 5,270,353	$ 5,283,996

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Balance Sheet (Continued)
Governmental Funds
June 30, 2009
(With summarized financial information for June 30, 2008)

		2009	2008
Reconciliation to the Statement of Net Assets			
Total Fund Balances as shown on previous page		$ 4,233,479	$ 4,358,929
Amounts reported for governmental activities in the statement of net assets are different because:			
Long-term receivables are not current financial resources and therefore are not reported in the fund statements above.		1,686,372	1,773,559
Prepaid other post-employment benefit obligations are not current financial resources and therefore not reported in the fund statements above.		61,221	-
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		27,625,347	28,087,566
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Bonds payable	$ 23,890,000		
Capital leases payable	18,946		
Accrued interest on long-term obligations	260,623	(24,169,569)	(25,683,018)
Net Assets of Governmental Activities as reported on the Statement of Net Assets (see page 9)		$ 9,436,850	$ 8,537,036

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2009
(With summarized financial information for year ended June 30, 2008)

	General	Special Education	Debt Service	Other Governmental Funds	Total Governmental Funds 2009	Total Governmental Funds 2008
Revenues						
Property taxes	$ 2,524,666	$ -	$ 2,104,751	$ 55,108	$ 4,684,525	$ 4,367,956
Other local sources	132,729	-	195,584	24,289	352,602	419,413
Interdistrict sources	455,612	47,310	-	-	502,922	476,730
Intermediate sources	12,500	202,041	-	-	214,541	205,105
State sources	7,173,270	66,217	-	-	7,239,487	8,268,869
Federal sources	1,121,117	22,303	-	-	1,143,420	224,352
Other sources	31,698	-	-	-	31,698	43,716
Total Revenues	11,451,592	337,871	2,300,335	79,397	14,169,195	14,006,141
Expenditures						
Instruction						
Regular instruction	4,902,575	-	-	1,500	4,904,075	4,520,970
Vocational instruction	522,399	-	-	-	522,399	473,156
Special education instruction	-	147,154	-	-	147,154	159,557
Other instruction	621,413	-	-	-	621,413	650,901
Total Instruction	6,046,387	147,154	-	1,500	6,195,041	5,804,584
Support Services						
Pupil services	289,867	96,531	-	-	386,398	356,956
Instructional staff services	1,052,186	5,492	-	-	1,057,678	1,042,167
General administration services	318,354	-	-	-	318,354	256,094
School administration services	630,032	-	-	5,672	635,704	660,114
Business services	191,682	2,064	-	-	193,746	221,458
Operations and maintenance of plant	1,415,520	-	-	-	1,415,520	1,402,711
Pupil transportation services	450,071	61,887	-	-	511,958	590,489
Insurance	92,363	-	-	-	92,363	91,169
Other support services	5,058	-	-	-	5,058	103,490
Total Support Services	4,445,133	165,974	-	5,672	4,616,779	4,724,648
Debt Service						
Principal	-	-	1,414,374	-	1,414,374	1,185,000
Interest	-	-	1,125,352	-	1,125,352	1,233,781
Total Debt Service	-	-	2,539,726	-	2,539,726	2,418,781
Community Service	-	-	-	78,319	78,319	84,146
Non-program						
General tuition payments	169,807	-	-	-	169,807	163,346
program charges	2,292	-	-	-	2,292	-
Special education tuition payments	-	694,054	-	-	694,054	693,148
Adjustments and refunds	1,122	-	-	-	1,122	2,647
Total Non-program	173,221	694,054	-	-	867,275	859,141
Total Expenditures	10,664,741	1,007,182	2,539,726	85,491	14,297,140	13,891,300
Excess of Revenues Over (Under) Expenditures	786,851	(669,311)	(239,391)	(6,094)	(127,945)	114,841
Other Financing Sources (Uses)						
Capital leases issued	-	-	-	-	-	266,432
Sale of capital assets	2,495	-	-	-	2,495	905
Transfers in	-	669,311	-	-	669,311	989,740
Transfers out	(669,311)	-	-	-	(669,311)	(989,740)
Total Other Financing Sources (Uses)	(666,816)	669,311	-	-	2,495	267,337
Net Change in Fund Balances	120,035	-	(239,391)	(6,094)	(125,450)	382,178
Fund Balances - July 1	3,400,876	-	901,094	56,959	4,358,929	3,976,751
Fund Balances - June 30	$ 3,520,911	$ -	$ 661,703	$ 50,865	$ 4,233,479	$ 4,358,929

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
Year Ended June 30, 2009
(With summarized financial information for year ended June 30, 2008)

		2009	2008
Reconciliation to the Statement of Activities			
Net Change in Fund Balances from previous page		$ (125,450)	$ 382,178
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.			
Capital outlay reported in governmental fund statements	$ 416,308		
Depreciation expense reported in the statement of activities	(877,419)		
Amount in which depreciation is greater than capital outlays in current period		(461,111)	(853,956)
In governmental funds, contributions and unconditional promises to give are reported as revenue when cash or other assets are received. In the statement of activities, revenue is reported when the promise to give is received. In the current period these amounts are:			
Change in net present value of unconditional promises to give		(87,187)	(82,895)
In the statement of activities, post-employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these benefits are measured by the amount paid.		353,296	97,192
In governmental funds the entire proceeds, if any, from the disposal of capital assets is reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported.		(1,108)	(1,343)
Capital leases are recorded in the governmental funds as payments are made. In the statement of activities they are recorded at the total value of the lease when entered into.		(18,946)	-
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities. The amount of long-term debt principal payments in the current year is:		1,220,000	1,185,000
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid. In the statement of activities interest is reported as it accrues.		20,320	9,518
Change in Net Assets of Governmental Activities as Reported on the Statement of Activities (see pages 10 - 11)		$ 899,814	$ 735,694

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
Revenues				
Property taxes	$ 2,399,480	$ 2,524,666	$ 2,524,666	$ -
Other local sources	159,064	138,647	132,729	(5,918)
Interdistrict sources	500,203	462,745	455,612	(7,133)
Intermediate sources	13,500	13,500	12,500	(1,000)
State sources	8,190,479	8,065,293	7,173,270	(892,023)
Federal sources	233,773	233,773	1,121,117	887,344
Other sources	28,000	28,000	31,698	3,698
Total Revenues	11,524,499	11,466,624	11,451,592	(15,032)
Expenditures				
Instruction				
Regular instruction	4,818,039	4,803,724	4,902,575	(98,851)
Vocational instruction	528,289	528,189	522,399	5,790
Other instruction	681,657	664,130	621,413	42,717
Total Instruction	6,027,985	5,996,043	6,046,387	(50,344)
Support Services				
Pupil services	285,808	283,508	289,867	(6,359)
Instructional staff services	917,728	861,716	1,052,186	(190,470)
General administration services	301,611	314,181	318,354	(4,173)
School administration services	646,673	646,673	630,032	16,641
Business services	195,465	195,465	191,682	3,783
Operations and maintenance of plant	1,463,629	1,483,129	1,415,520	67,609
Pupil transportation services	566,476	603,476	450,071	153,405
Insurance	93,869	93,869	92,363	1,506
Other support services	121,058	121,058	5,058	116,000
Total Support Services	4,592,317	4,603,075	4,445,133	157,942
Non-program				
General tuition payments	192,569	155,111	169,807	(14,696)
Co-curricular cooperative program charges	4,250	4,250	2,292	1,958
Adjustments and refunds	-	-	1,122	(1,122)
Total Non-program	196,819	159,361	173,221	(13,860)
Total Expenditures	10,817,121	10,758,479	10,664,741	93,738
Excess of Revenues Over (Under) Expenditures	707,378	708,145	786,851	78,706
Other Financing Sources (Uses)				
Sale of capital assets	-	-	2,495	2,495
Transfers out	(707,378)	(708,145)	(669,311)	38,834
Total Other Financing Sources (Uses)	(707,378)	(708,145)	(666,816)	41,329
Net Change in Fund Balance	-	-	120,035	120,035
Fund Balance - July 1	3,400,876	3,400,876	3,400,876	-
Fund Balance - June 30	$ 3,400,876	$ 3,400,876	$ 3,520,911	$ 120,035

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Education Fund
Year Ended June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Interdistrict sources	$ 59,933	$ 47,447	$ 47,310	$ (137)
Intermediate sources	200,000	200,000	202,041	2,041
State sources	54,980	54,980	66,217	11,237
Federal sources	-	-	22,303	22,303
Total Revenues	314,913	302,427	337,871	35,444
Expenditures				
Instruction				
Special education instruction	155,520	156,285	147,154	9,131
Support Services				
Pupil services	101,176	101,176	96,531	4,645
Instructional staff services	5,672	5,672	5,492	180
Business services	-	-	2,064	(2,064)
Pupil transportation services	87,700	87,700	61,887	25,813
Total Support Services	194,548	194,548	165,974	28,574
Non-program				
Special education tuition payments	671,223	658,739	694,054	(35,315)
Total Expenditures	1,021,291	1,009,572	1,007,182	2,390
Excess of Revenues Over (Under) Expenditures	(706,378)	(707,145)	(669,311)	37,834
Other Financing Sources				
Transfers in	706,378	707,145	669,311	(37,834)
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	$ -	$ -	$ -	$ -

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Net Assets
Nonmajor Proprietary Funds
June 30, 2009
(With summarized financial information for June 30, 2008)

	Food Service	
	2009	2008
ASSETS		
Current Assets		
Cash and investments	$ 152,315	$ 61,355
Accounts receivable	1,360	10,640
Due from other governments	-	3,074
Total Current Assets	153,675	75,069
Noncurrent Assets		
Machinery and equipment	391,388	381,468
Vehicles	7,047	7,047
Less: Accumulated depreciation	223,947	206,321
Total Noncurrent Assets	174,488	182,194
TOTAL ASSETS	328,163	257,263
LIABILITIES		
Current Liabilities		
Accounts payable	6,983	1,559
Unearned revenues	14,592	12,933
TOTAL LIABILITIES	21,575	14,492
NET ASSETS		
Invested in capital assets	174,488	182,194
Unrestricted	132,100	60,577
TOTAL NET ASSETS	$ 306,588	$ 242,771

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Revenues, Expenses and Changes in Net Assets
Nonmajor Proprietary Funds
Year Ended June 30, 2009
(With summarized financial information for year ended June 30, 2008)

	Food Service	
	2009	2008
Operating Revenues		
Food sales	$ 370,863	$ 367,381
Interdistrict sources	22,145	21,280
State sources	13,904	13,368
Federal sources	155,402	164,471
Federal commodities	23,469	29,716
Other sources	1,011	832
Total Operating Revenues	586,794	597,048
Operating Expenses		
Salaries, wages and benefits	217,382	246,814
Purchased services	12,504	29,063
Supplies and materials	274,274	299,987
Other	1,191	1,251
Depreciation	17,626	17,153
Total Operating Expenses	522,977	594,268
Change in Net Assets	63,817	2,780
Net Assets - July 1	242,771	239,991
Net Assets - June 30	$ 306,588	$ 242,771

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Cash Flows
Nonmajor Proprietary Funds
Year Ended June 30, 2009
(With summarized financial information for year ended June 30, 2008)

	Food Service	
	2009	2008
Cash Flows from Operating Activities		
Cash received from users	$ 402,288	$ 378,113
Cash received from other government payments	198,519	209,610
Cash payments to employees	(217,382)	(246,814)
Cash payments to suppliers	(282,545)	(329,035)
Net Cash Provided by Operating Activities	100,880	11,874
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(9,920)	(3,917)
Net Increase in Cash and Cash Equivalents	90,960	7,957
Cash and Cash Equivalents - July 1	61,355	53,398
Cash and Cash Equivalents - June 30	$ 152,315	$ 61,355
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 63,817	$ 2,780
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	17,626	17,153
Changes in assets and liabilities		
Due from other funds	-	92
Due from other governments	3,074	1,759
Accounts receivable	9,280	(10,640)
Accounts payable	5,424	1,266
Unearned revenues	1,659	(536)
Net Cash Provided by Operating Activities	$ 100,880	$ 11,874
Noncash Noncapital Financing Activities:		
Commodities Received From U.S. Department of Agriculture	$ 23,469	$ 29,716

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Net Assets
Fiduciary Funds
June 30, 2009
(With summarized financial information for June 30, 2008)

	Private-Purpose Trust Fund	Employee Benefit Trust Fund	Agency Fund	Total 2009	Total 2008
ASSETS					
Cash and cash equivalents	$ 85,115	$ 196,921	$ 123,890	$ 405,926	$ 195,452
LIABILITIES					
Accounts payable	$ -	$ 137,470	$ 1,858	$ 139,328	$ -
Due to other funds	-	-	-	-	318
Due to student organizations	-	-	122,032	122,032	110,044
TOTAL LIABILITIES	-	137,470	123,890	261,360	110,362
NET ASSETS					
Reserved for					
Employee benefits	-	59,451	-	59,451	-
Scholarships	85,115	-	-	85,115	85,090
TOTAL NET ASSETS	85,115	59,451	-	144,566	85,090
TOTAL LIABILITIES AND NET ASSETS	$ 85,115	$ 196,921	$ 123,890	$ 405,926	$ 195,452

The notes to the basic financial statements are an integral part of this statement.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Changes in Net Assets
Fiduciary Funds
Year Ended June 30, 2009
(With summarized financial information for year ended June 30, 2008)

	Private Purpose Trust Fund	Employee Benefit Trust Fund	Total Fiduciary Funds	
			2009	2008
ADDITIONS				
Gifts and contributions	$ 750	$ -	$ 750	$ 12,893
Interest	2,930	-	2,930	3,199
Other sources	-	196,921	196,921	-
Total Additions	3,680	196,921	200,601	16,092
DEDUCTIONS				
Trust fund disbursements	3,655	137,470	141,125	1,551
Change in Net Assets	25	59,451	59,476	14,541
Net Assets - July 1	85,090	-	85,090	70,549
Net Assets - June 30	$ 85,115	$ 59,451	$ 144,566	$ 85,090

The notes to the basic financial statements are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the School District of Chilton (the "District"), Chilton, Wisconsin, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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:

1. Reporting Entity
   The School District of Chilton is organized as a common school district. The District, governed by a five member elected school board, operates grades K through 12 and is comprised of all or parts of nine taxing districts.

   In accordance with GAAP, the basic financial statements are required to include the District (the primary government) and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement Nos. 14 and 39.

2. District-Wide and Fund Financial Statements
   The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

   The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

   Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The District has no internal service funds. Major individual governmental funds and nonmajor individual enterprise funds are reported as separate columns in the fund financial statements.

   The District reports the following major governmental funds:

   GENERAL FUND

   This is the District's main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

   SPECIAL EDUCATION FUND

   This fund accounts for activities associated with providing educational programs for students with disabilities. Sources include financial aid received from the state and federal government and payments from other school districts. Excess expenditures of the fund are financed with a transfer from the general fund.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

DEBT SERVICE FUND

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The District reports one nonmajor proprietary fund, the food service fund. This fund accounts for the activities of the District's food service program.

Additionally, the government reports the following fund types:

The *private-purpose trust fund* is used to account for resources legally held in trust for scholarship awards and other purposes. Only earnings on the invested resources may be used to support the scholarships.

The District accounts for assets held as an agent for various student and parent organizations in an *agency fund*.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied. Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities, and enterprise fund subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund is charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

4. Assets, Liabilities and Net Assets or Equity

a. Cash and Investments
Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

b. Accounts Receivable
Accounts receivable are recorded at gross amount with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

c. Interfund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements.

The amount reported on the statement of net assets for internal balances represents the residual balance outstanding between the governmental and business-type activities.

e. Prepaid Items
Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

Prepaid items of governmental fund types in the fund financial statements are offset by fund balance reserve accounts to indicate that they do not represent spendable available financial resources.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, and machinery and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of $1,000 or higher and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities	Business-type Activities
	Years	
Assets		
Land improvements	20	-
Buildings	25 - 50	-
Machinery and equipment	5 - 20	5 - 20

g. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

h. Long-term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Fund Equity

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

DISTRICT-WIDE AND PROPRIETARY FUND STATEMENTS

Equity is classified as net assets and displayed in three components:

- Invested in capital assets, net of related debt - Amount of capital assets, net of accumulated depreciation, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net assets - Amount of net assets that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

- Unrestricted net assets - Net assets that are neither classified as restricted nor as invested in capital assets, net of related debt.

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

6. Summarized Comparative Information
The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2008, from which the summarized information was derived.

NOTE B - STEWARDSHIP AND COMPLIANCE

Budgets and Budgetary Accounting

Operating budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting procedures prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- The Board of Education 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 a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.
- Once the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of 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 Board of Education.
- Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as a reserved or designated fund balance in the fund financial statements.
- Encumbrance accounting is used by the District.

The school district did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2009.

NOTE C - DETAILED NOTES ON ALL FUNDS

1. Cash and Investments

The debt service fund accounts for its transactions through separate and distinct bank and investment accounts as required by State Statutes. In addition, the fiduciary funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the District's cash and investments totaled $3,694,263 on June 30, 2009 as summarized below:

Petty cash funds	$ 1,035
Deposits with financial institutions	526,110
Investments	
Wisconsin local government investment pool	924
Repurchase agreements	3,166,194
	$ 3,694,263

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	$ 3,288,337
Fiduciary funds	
Private-purpose trust fund	85,115
Employee benefit trust fund	196,921
Agency fund	123,890
	$ 3,694,263

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the specific risks and the District's policy related to the risk.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit risk policy.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Deposits with financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 per official custodian through December 31, 2013. In addition, the District's non-interest bearing transaction accounts are fully insured under the Temporary Liquidity Guarantee Program through December 31, 2009. On January 1, 2014, the coverage limit for all accounts will return to $100,000 for interest bearing accounts and $100,000 for non-interest bearing accounts. In addition, the State of Wisconsin has a State Guarantee Fund which provides a maximum of $400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

On June 30, 2009, none of the District's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized.

On June 30, 2009, the District held repurchase agreement investments of $3,166,194 of which the underlying securities are held by the investment's counterparty, not in the name of the District.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The District does not have an additional credit risk policy. Presented below is the actual rating as of year end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Wisconsin local government investment pool	$ 924	$ -	$ -	$ -	$ 924

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total district investments are as follows:

Issuer	Investment Type	Reported Amount
Community Bank & Trust	Purchase agreements	$ 3,166,194

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin local government investment pool	$ 924	$ 924	$ -	$ -	$ -
Repurchase agreements	3,166,194	3,166,194	-	-	-
	$ 3,167,118	$ 3,167,118	$ -	$ -	$ -

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of $924 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2009, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

2. Property Taxes

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes must be paid in full or in two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance. Property taxes are recognized as revenue in the fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment, and full receipt of the entire levy is assured within sixty days of fiscal year end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 46,510	$ -	$ -	$ 46,510
Capital assets, being depreciated:				
Land improvements	1,445,762	-	-	1,445,762
Buildings	32,251,054	-	-	32,251,054
Machinery and equipment	3,190,044	416,308	1,847	3,604,505
Vehicles	60,998	-	-	60,998
Subtotals	36,947,858	416,308	1,847	37,362,319
Less accumulated depreciation for:				
Land improvements	492,854	67,186	-	560,040
Buildings	5,923,752	645,619	-	6,569,371
Machinery and equipment	2,430,709	163,102	739	2,593,072
Vehicles	59,487	1,512	-	60,999
Subtotals	8,906,802	877,419	739	9,783,482
Total capital assets, being depreciated, net	28,041,056	(461,111)	1,108	27,578,837
Governmental activities capital assets, net	$ 28,087,566	$ (461,111)	$ 1,108	27,625,347
Less related long-term debt outstanding				23,890,000
Invested in capital assets, net of related debt				$ 3,735,347
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 381,468	$ 9,920	$ -	$ 391,388
Vehicles	7,047	-	-	7,047
Subtotals	388,515	9,920	-	398,435
Less accumulated depreciation for:				
Machinery and equipment	204,669	16,746	-	221,415
Vehicles	1,652	880	-	2,532
Subtotals	206,321	17,626	-	223,947
Total capital assets, being depreciated, net	182,194	(7,706)	-	174,488
Business-type activities capital assets, net	$ 182,194	$ (7,706)	$ -	$ 174,488

The District's capital assets are shared by many governmental functions. Accordingly, it was not considered practical to allocate depreciation expense.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

4. Interfund Receivable, Payables, and Transfers
Interfund transfers for the year ended June 30, 2009 were as follows:

	Transfer to: Special Education Fund
Transfers from:	
General Fund	$ 669,311

This transfer funds the operating deficit of the special education fund.

5. Unconditional Promises to Give
Unconditional promises to give as of June 30, 2009 are as follows:

Receivable in less than one year	$ 185,000
Receivable in one to five years	925,000
Receivable in more than five years	1,295,000
Total unconditional promises to give	2,405,000
Less: Discount to net present value at 5.5%	(718,628)
Net unconditional promises to give	$ 1,686,372

6. Capital Leases
The District is obligated for capital leases that were used to finance the acquisition of capital assets. Presented below is a schedule for future minimum lease payments at June 30, 2009:

Year Ending	Amount
2010	$ 14,510
2011	3,366
2012	1,122
Total Minimum Lease Payments	18,998
Less: Amount representing interest	52
Present Value of Future Minimum Lease Payments	$ 18,946

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

7. Long-term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2009.

	Outstanding 7/1/08	Issued	Retired	Outstanding 6/30/09	Due Within One Year
Governmental activities:					
General Obligation Debt					
Bonds	$ 25,110,000	$ -	$ 1,220,000	$ 23,890,000	$ 1,290,000
Total General Obligation Debt	25,110,000	-	1,220,000	23,890,000	1,290,000
Capital leases	194,374	18,946	194,374	18,946	14,510
Post-employment health benefits payable	292,075	-	292,075	-	-
Governmental activities Long-term obligations	$ 25,596,449	$ 18,946	$ 1,706,449	$ 23,908,946	$ 1,304,510

Total interest paid during the year on long-term debt totaled $1,123,652.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds	
$17,180,000 issued 11/01/02; $400,000 to $1,120,000 due annually through 2015; interest 2.5% to 4.625%	$ 8,830,000
$6,690,000 issued 4/01/05; $35,000 to $1,430,000 due annually through 2020; interest 4.0% to 4.2%	6,690,000
$10,000,000 issued 10/15/02; $430,000 to $755,000 due annually through 2022; interest 2.75% to 4.7%	7,620,000
$1,080,000 issued 4/15/03; $65,000 to $120,000 due annually through 2017; interest 4.65%	750,000
Total Outstanding General Obligation Debt	$ 23,890,000

Annual principal and interest maturities of the outstanding general obligation debt of $23,890,000 on June 30, 2009 are detailed below:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2010	$ 1,290,000	$ 1,080,441	$ 2,370,441
2011	1,450,000	1,031,849	2,481,849
2012	1,545,000	976,774	2,521,774
2013	1,655,000	846,931	2,501,931
2014	1,735,000	775,097	2,510,097
2015-2019	9,675,000	2,715,644	12,390,644
2020-2022	6,540,000	601,961	7,141,961
	$ 23,890,000	$ 8,028,697	$ 31,918,697

For the governmental activities, the other long-term liabilities are generally liquidated by the general fund.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2009 was $27,951,871 as follows:

Equalized valuation of the District		$511,832,422
Statutory limitation percentage		(x) 10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		51,183,242
Total outstanding general obligation debt applicable to debt limitation	$ 23,890,000	
Less: Amounts available in debt service fund	(658,629)	
Net outstanding general obligation debt applicable to debt limitation		23,231,371
Legal Margin for New Debt		$ 27,951,871

NOTE D - OTHER INFORMATION

1. Retirement Commitments

All eligible District employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer, defined benefit, public employee retirement system. The WRS operated on a calendar year which differs from the District's fiscal year ending June 30. Therefore, certain required financial disclosures on retirement commitments that follow will be for the District's calendar year ending December 31, 2008. All permanent employees expected to work at least 600 hours a year (440 hours for teachers) are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 6.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for District employees covered by the WRS for the year ended December 31, 2008 was $5,388,161 and the total payroll was $5,476,384. The total required contribution for the year ended December 31, 2008 was $571,145, which consisted of $247,855 or 4.6% of payroll from the employer and $323,290, or 6.0% of payroll from employees. Total contributions for the years ending December 31, 2007 and 2006 were $563,853 and $554,567 respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of the Wisconsin Statutes. The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust funds, P.O. Box 7931, Madison, WI 53707-7931.

NOTE D - OTHER INFORMATION (Continued)

2. Other Post Employment Benefits

Plan Description - The District provides health care insurance coverage for employees who retire until they die or opt out of the coverage. The retired employee contributes 100% of the premium for family coverage or 100% of the premium for single coverage. There are 2,533 active and 255 retired employees in the plan.

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

Component	Amount
Annual required contribution	$ 115,906
Interest on net OPEB	-
Adjustment to annual required contribution	-
Annual OPEB costs (expense)	115,906
Contributions made	(177,127)
Change in net OPEB obligation	(61,221)
OPEB obligation - beginning of year	-
OPEB obligation - end of year	$ (61,221)

The annual required contribution for the current year was determined as part of the July 1, 2007 actuarial valuation using the projected payroll method.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected payroll. The remaining amortization period at June 30, 2009 is 29 years, and the remaining amount is $1,180,264.

Trend Information - The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	$115,906	152.82%	$ (61,223)

Funded Status and Funding Progress - As of July 1, 2007, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was $1,180,264. The annual payroll for active employees covered by the plan for the 2009 fiscal year was $5,476,384 for a ratio of the UAAL to covered payroll of 21.6%.

NOTE D - OTHER INFORMATION (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future.

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

In the July 1, 2007 actuarial valuation, the level percentage of projected payroll method was used. The actuarial assumptions included a rate of 6.5% to discount expected liabilities to the valuation date. The initial healthcare trend rate was 11% for medical and 5% for dental, reduced by decrements to an ultimate rate of 5% for medical and 4% for dental after nine years. The UAAL is being amortized as a level percentage of projected payrolls. The remaining amortization period at June 30, 2009 was 29 years.

3. Risk Management
   The District is exposed to various risks of loss related to torts; thefts, damage or destruction of assets; errors or omissions; employee health and accident claims; or acts of God. These risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

4. Contingencies
   a. The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

   b. From time to time, the District is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

5. Limitation on School District Revenues
   Wisconsin Statutes limit the amount of revenues a school district may derive from general school aids and property taxes unless a higher amount is approved by a referendum.

   This limitation does not apply to revenue needed for payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

   b. A referendum on or after August 12, 1993.

REQUIRED SUPPLEMENTAL INFORMATION

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Funding Progress
Other Post-Employment Benefit Plan
June 30, 2009

Actuarial Valuation Date July 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2007	$ -	$ 1,180,264	0.00%	$ 1,180,264	$ -	0.00%

The District implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009. Information for prior years is not available.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Employer Contributions
Other Post-Employment Benefit Plan
June 30, 2009

Year Ended June 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	$ 177,129	$ 115,906	152.82%

The District implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009. Information for prior years is not available.

SUPPLEMENTAL INFORMATION

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(With summarized financial information for June 30, 2008)

	Special Revenue Funds		Total Nonmajor Governmental Funds	
	Trust Fund	Community Service Fund	2009	2008
ASSETS				
Cash and investments	$ 6,274	$ 44,474	$ 50,748	$ 58,210
Receivables				
Accounts	-	259	259	-
TOTAL ASSETS	$ 6,274	$ 44,733	$ 51,007	$ 58,210
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 142	$ 142	$ 1,251
Fund Balances				
Reserved for				
Other	6,274	44,591	50,865	56,959
TOTAL LIABILITIES AND FUND BALANCES	$ 6,274	$ 44,733	$ 51,007	$ 58,210

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2009
(With summarized financial information for year ended June 30, 2008)

	Special Revenue Funds		Total Nonmajor Governmental Funds	
	Trust Fund	Community Service Fund	2009	2008
Revenues				
Property taxes	$ -	$ 55,108	$ 55,108	$ 60,000
Other local sources	2,550	21,739	24,289	33,249
Other sources	-	-	-	7,205
Total Revenues	2,550	76,847	79,397	100,454
Expenditures				
Instruction				
Regular instruction	1,500	-	1,500	1,500
Other instruction	-	-	-	8,262
Total Instruction	1,500	-	1,500	9,762
Support Services				
School administration services	5,672	-	5,672	7,667
Pupil transportation services	-	-	-	8,946
Total Support Services	5,672	-	5,672	16,613
Community services	-	78,319	78,319	84,146
Total Expenditures	7,172	78,319	85,491	110,521
Excess of Revenues Over (Under) Expenditures	(4,622)	(1,472)	(6,094)	(10,067)
Other Financing Sources				
Transfers in	-	-	-	10,003
Net Change in Fund Balances	(4,622)	(1,472)	(6,094)	(64)
Fund Balances - July 1	10,896	46,063	56,959	57,023
Fund Balances - June 30	$ 6,274	$ 44,591	$ 50,865	$ 56,959

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Changes in Assets and Liabilities
Pupil Activity Funds
Year Ended June 30, 2009

	Balance July 1, 2008	Receipts	Disbursements	Balance June 30, 2009
ASSETS				
Cash and investments	$ 110,362	$ 225,091	$ 211,563	$ 123,890
LIABILITIES				
Accounts payable	$ 318	$ 12,173	$ 10,633	$ 1,858
Due to student organizations				
Class of 2008	1,110	-	1,110	-
Class of 2009	2,772	4,276	4,596	2,452
Class of 2010	1,602	2,513	2,378	1,737
Class of 2011	653	1,431	602	1,482
Class of 2012	94	439	75	458
Drama Club	1,833	679	422	2,090
5th - 6th activity account	1,121	-	1,121	-
Middle School Student Council	681	8,374	7,199	1,856
Middle School library account	4,279	8,944	10,457	2,766
High School library account	3,351	132	189	3,294
Media Club	512	1,440	1,636	316
Class trip 2012	622	18,840	13,029	6,433
Class trip 2010	15,217	4,149	1,191	18,175
Pool/soda machine	1,897	-	-	1,897
Class trip 2011	3,245	1,145	249	4,141
Soda machines	1,090	4,868	3,514	2,444
Class trip 2008	194	-	-	194
High School Student Council	4,503	1,349	3,125	2,727
Home Education Club	1,317	-	-	1,317
Yearbook	1,042	18,455	17,649	1,848
Choir trip	474	485	-	959
J Schomish Com	1,081	150	738	493
Music campership	1,853	883	2,174	562
SADD	712	-	-	712
Clearing	317	-	-	317
Alumni account	1,019	-	-	1,019
Weight Lifter Club	854	3,735	3,555	1,034
Athletic activities	359	58	38	379
Pom pons	2,468	12,947	14,173	1,242
Cheerleaders	1,585	2,299	3,837	47
School gift fund	5,319	248	275	5,292
AFS student account	649	980	1,340	289
FFA	569	5,936	5,242	1,263
Spanish Club	11	83	8	86
Girls basketball	100	-	-	100
Girls softball	1,532	2,970	2,317	2,185
Girls tennis	27	-	-	27
Volleyball	568	523	297	794
Math league	61	504	476	89

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Changes in Assets and Liabilities (Continued)
Pupil Activity Funds
Year Ended June 30, 2009

	Balance July 1, 2008	Receipts	Disbursements	Balance June 30, 2009
LIABILITIES (Continued)				
Due to student organizations (continued)				
Science league	890	2,613	1,458	2,045
Ski club	219	3,778	3,920	77
School greenhouse	1,639	3,678	1,487	3,830
FBLA	2,719	1,695	855	3,559
Elementary POPS	17,518	16,255	16,463	17,310
Baseball	2,451	5,135	3,403	4,183
Boys basketball	605	12,136	10,840	1,901
Vocational arts class	-	16,674	16,251	423
Tuesday night talk	-	2,700	2,343	357
Football	1,436	-	21	1,415
Golf	3	-	-	3
Wrestling	56	-	-	56
MS POPS	7,201	12,974	12,840	7,335
School store	4,818	7,036	8,791	3,063
Art Club	291	-	-	291
HS POPS	550	1,397	1,033	914
HS student activity	388	548	731	205
Curling Club	645	650	811	484
Concessions	713	5,225	4,774	1,164
8th grade trip	1,069	5,858	6,026	901
TOTAL LIABILITIES	$ 110,222	$ 219,360	$ 205,692	$ 123,890

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

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

To the Board of Education
School District of Chilton
Chilton, Wisconsin

We have audited the basic financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the School District of Chilton ("the District"), Wisconsin, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control over financial reporting. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described in the accompanying schedule of findings and questioned costs is not a material weakness.

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Compliance and Other Matters

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

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

This report is intended solely for the information and use of the Board of Education, management and federal and state awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Certified Public Accountants
Green Bay, Wisconsin
November 10, 2009

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES

To the Board of Education
Chilton Public School District
Chilton, Wisconsin

Compliance

We have audited the compliance of the School District of Chilton (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that are applicable to each of its major federal and state programs for the year ended June 30, 2009. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. The District's major state programs are identified on the Schedule of State Financial Assistance. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, guidelines and OMB Circular A-133 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 and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

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Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A control deficiency in the District's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal and state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal and state program that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2009-02 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented or detected by the District's internal control. We did not consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

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

This report is intended solely for the information and use of management, the Board of Education, others within the District, and federal and state awarding agencies, and is not intended to be, and should not be, used by anyone other than these specified parties.

Certified Public Accountants
Green Bay, Wisconsin
November 10, 2009

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2009

Grantor Agency/Federal Program Title	Pass-through Agency	Federal Catalog Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 7/1/08	Cash Received	Accrued or (Deferred) Revenue 6/30/09	Total Revenues	
U.S. DEPARTMENT OF AGRICULTURE							
Child Nutrition Cluster							
National School Breakfast Program	DPI	10.553					
July 1, 2007 - June 30, 2008			$ (565)	$ 565	$ -	$ -	$ -
July 1, 2008 - June 30, 2009			-	27,527		27,527	27,527
National School Lunch Program	DPI	10.555					
July 1, 2007 - June 30, 2008			(2,509)	2,509	-	-	-
July 1, 2008 - June 30, 2009			-	127,875	-	127,875	127,875
Donated Commodities			-	23,469	-	23,469	23,469
Total *Child Nutrition Cluster* and U.S. Department of Agriculture			(3,074)	181,945	-	178,871	178,871
U.S. DEPARTMENT OF EDUCATION							
Title I Grants to Local Educational Agencies	DPI	84.010					
July 1, 2007 - June 30, 2008			(176,366)	176,366	-	-	-
July 1, 2008 - June 30, 2009			-	114,956	64,550	179,506	179,506
Title V State Grants for Innovative Programs	DPI	84.298					
July 1, 2007 - June 30, 2008			(2,241)	2,241	-	-	-
Title III Education Technology State Grants	DPI	84.318					
July 1, 2007 - June 30, 2008			(751)	751	-	-	-
July 1, 2008 - June 30, 2009			-	-	3,628	3,628	3,628
Title II Improving Teacher Quality State Grants	DPI	84.367					
July 1, 2007 - June 30, 2008			(5,977)	5,977	-	-	-
July 1, 2008 - June 30, 2009			-	27,453	5,623	33,076	33,076

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2009

Grantor Agency/Federal Program Title	Pass-through Agency	Federal Catalog Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 7/1/08	Cash Received	Accrued or (Deferred) Revenue 6/30/09	Total Revenues	
U.S. DEPARTMENT OF EDUCATION (Continued)							
Stockbridge School District	DPI	84.048					
Vocational Education - Basic Grant							
July 1, 2007 - June 30, 2008			(11,580)	11,580	-	-	-
July 1, 2008 - June 30, 2009			-	-	8,235	8,235	8,235
State Stabilization Fund - Education Fund	DPI	84.394					
July 1, 2008 - June 30, 2009			-	787,489	-	787,489	787,489
State Fiscal Stabilization Fund - Government Services Fund	DPI	84.397					
July 1, 2008 - June 30, 2009			-	117,418	-	117,418	117,418
Total U.S. Department of Education			(196,915)	1,244,231	82,036	1,129,352	1,129,352
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Medical Assistance Program	WI DHS	93.778	-	22,303	-	22,303	22,303
TOTAL FEDERAL AWARDS			$ (199,989)	$ 1,448,479	$ 82,036	$ 1,330,526	$ 1,330,526

DPI - Wisconsin Department of Public Instruction
WI DHS - Wisconsin Department of Health Services

The notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of State Financial Assistance
Year Ended June 30, 2009

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Revenues (Accrued) or Deferred Revenue 7/01/08	Cash Received	Accrued or (Deferred) Revenue 6/30/09	Total Revenues	Total Expenditures
ENTITLEMENT PROGRAMS						
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
MAJOR STATE PROGRAMS						
Special Education and School Age Parents:	255.101					
Internal district program		$ -	$ 66,217	$ -	$ 66,217	$ 66,217
Participant in Package Program at CESA 7		-	202,041	-	202,041	202,041
Subtotal		-	268,258	-	268,258	268,258
General equalization aid	255.201					
2007-2008		(133,891)	133,891	-	-	-
2008-2009		-	6,914,930	123,202	7,038,132	7,038,132
TOTAL MAJOR STATE PROGRAMS		(133,891)	7,317,079	123,202	7,306,390	7,306,390
NONMAJOR STATE PROGRAMS						
State lunch	255.102	-	6,516	-	6,516	6,516
Common school fund library	255.103	-	50,633	-	50,633	50,633
Pupil transportation	255.107	-	34,854	-	34,854	34,854
Morning Milk Program	255.109	-	672	-	672	672
State breakfast	255.344	-	6,716	-	6,716	6,716
TOTAL NONMAJOR STATE PROGRAMS		-	99,391	-	99,391	99,391
TOTAL STATE FINANCIAL ASSISTANCE		$ (133,891)	$ 7,416,470	$ 123,202	$ 7,405,781	$ 7,405,781

The notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance are an integral part of this schedule.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Notes to the Schedule of Expenditures of Federal Awards and the Schedule of State Financial Assistance
Year Ended June 30, 2009

NOTE A - BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the School District of Chilton and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B - SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2008-2009 eligible costs under the State Special Education Program as reported by the District are $220,416.

NOTE C - OVERSIGHT AGENCIES

The U.S. Department of Education is the federal oversight agency for the District. The Wisconsin Department of Public Instruction is the state oversight agency for the District.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Findings and Questioned Costs
Year Ended June 30, 2009

Section I - Summary of Auditors' Results

Basic Financial Statements	
Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	Yes
Noncompliance material to basic financial statements noted?	No
Federal Awards and State Financial Assistance	
Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weakness(es)?	Yes
Type of auditors' report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes
Any audit findings disclosed that are required to be reported in accordance with the *State Single Audit Guidelines*?	Yes
Identification of major federal programs:	

CFDA Number	Name of Federal Program
84.394	State Stabilization Fund - ARRA
84.397	State Fiscal Stabilization Fund - ARRA

Audit threshold used to determine between Type A and Type B programs:	$300,000
Auditee qualified as a low-risk auditee:	No

Section II - Financial Statement Findings

Finding No.	Control Deficiencies
2009-01	**Year End Closing and Financial Reporting**
Condition:	While the current staff of the District maintain financial records which report revenues and expenditures throughout the year, preparing year end adjusting, closing and GASB 34 conversion entries necessary to prepare financial statements, including related notes, and state financial reports require additional expertise that would entail additional training and staff time to develop. The District contracts with Schenck and their knowledge of current accounting principles and regulatory requirements of the Wisconsin Department of Public Instruction to prepare required journal entries and financial reports for the District in an efficient manner.
Criteria:	The review of financial statements by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential misstatement in the financial statements or notes.
Cause:	The additional costs associated with hiring staff experienced in preparing year end adjusting, closing, and GASB 34 conversion entries and financial reports, including additional training time outweigh the derived benefits.
Recommendation:	We recommend the District continue reviewing the adjusting, closing and GASB 34 conversion entries along with the financial reports prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to obtain an adequate understanding of the district's financial report.

Section III - Federal Award and State Financial Assistance Findings

Finding No.	Internal Control Deficiencies

2009-02 **Financial Reporting for Federal and State Financial Assistance**

Condition: OMB Circular A-133 and the *State Single Audit Guidelines* requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal awards and state financial assistance. While the current staff of the District maintain financial records supporting amounts reported in the schedules of expenditures of federal awards and state financial assistance, the District contracts with Schenck to compile the data from these records and prepare the single audit report for the District.

Criteria: Having staff with expertise in federal and state financial reporting prepare the District's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal wards and state financial assistance, or accompanying notes to the schedule.

Cause: The additional costs associated with hiring staff sufficiently experienced to prepare the District's single audit report, including the additional training time, outweigh the derived benefits.

Recommendation: We recommend District personnel continue reviewing the District's single audit report prepared by Schenck. While it may not be cost beneficial to hire additional staff to prepare these items, a thorough review of this information by appropriate staff of the District is necessary to ensure all federal and state financial assistance programs are properly reported in the District's single audit report.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Prior Year Audit Findings and Corrective Action Plan
June 30, 2009

Status of Prior Year Audit Finding

The finding noted in the 2008 Schedule of Findings and Questioned Costs has been reported to the proper state agencies. Management continues to believe the cost to hire additional staff to eliminate the control deficiency identified as 2008-01 outweigh the benefits to be received. Management reviews the financial report prepared by Schenck.

Corrective Action Plan for Audit Findings

Finding No.	Corrective Action Plan
2009-01	**Year End Closing and Financial Reporting** Management believes that the cost of hiring additional staff to prepare year end adjusting and closing entries and to prepare financial reports outweighs the benefits to be received
2009-02	**Financial Reporting for Federal and State Financial Assistance** Management believes the cost of additional staff time and training to prepare these items outweigh the benefits to be received.