SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN

ANNUAL FINANCIAL REPORT

JUNE 30, 2011

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
June 30, 2011

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Chilton, Wisconsin
June 30, 2011

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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 ("the District") as of and for the year ended June 30, 2011, 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 opinions on these basic financial statements based on our audit. The prior year summarized comparative information has been derived from the District's 2010 financial statements and, in our report dated August 26, 2010, 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note A.2, the District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, for the fiscal year ended June 30, 2011. The District changed the financial reporting of the activities of the Special Education program from being reported as a special revenue fund to being included as part of the General Fund effective July 1, 2010.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2011 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the schedule of funding progress and the schedule of employer contributions on pages 33 and 34 be presented to supplement the basic financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. 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 financial statements. The supplemental information and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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Certified Public Accountants
Green Bay, Wisconsin
September 16, 2011

BASIC FINANCIAL STATEMENTS

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Net Assets
June 30, 2011
(With summarized financial information for June 30, 2010)

	Governmental Activities	Business-type Activities	Total 2011	Total 2010
ASSETS				
Cash and investments	$ 3,219,641	$ 168,277	$ 3,387,918	$ 3,241,834
Receivables				
Taxes	1,620,189	-	1,620,189	1,603,135
Accounts	142,031	154	142,185	144,460
Due from other governments	358,700	3,728	362,428	271,021
Inventories and prepaid items	563,478	-	563,478	520,539
Current portion of unconditional promises to give	97,323	-	97,323	97,323
	6,001,362	172,159	6,173,521	5,878,312
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	4,420,560	442,029	4,862,589	4,217,186
Less: Accumulated depreciation	(11,540,286)	(258,652)	(11,798,938)	(10,836,441)
Total Capital Assets, net of accumulated depreciation	26,623,600	183,377	26,806,977	27,124,071
Non-current portion of unconditional promises to give	1,399,476	-	1,399,476	1,496,799
TOTAL ASSETS	34,024,438	355,536	34,379,974	34,499,182
LIABILITIES				
Current Liabilities				
Accounts payable	206,043	54	206,097	133,989
Accrued payroll liabilities	954,732	759	955,491	892,125
Accrued interest payable	254,731	-	254,731	257,962
Unearned revenues	36,983	13,282	50,265	31,238
Total Current Liabilities	1,452,489	14,095	1,466,584	1,315,314
Long-term Obligations				
Due within one year	1,590,000	-	1,590,000	1,450,000
Due in more than one year	19,465,000	-	19,465,000	21,150,000
Total Long-term Obligations	21,055,000	-	21,055,000	22,600,000
TOTAL LIABILITIES	22,507,489	14,095	22,521,584	23,915,314
NET ASSETS				
Invested in capital assets, net of related debt	5,568,600	183,377	5,751,977	4,524,071
Restricted for				
Debt service	1,667,772	-	1,667,772	1,956,373
Trust funds	-	-	-	6,383
Unrestricted	4,280,577	158,064	4,438,641	4,097,041
TOTAL NET ASSETS	$ 11,516,949	$ 341,441	$ 11,858,390	$ 10,583,868

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, 2011
(With summarized financial information for the year ended June 30, 2010)

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Governmental Activities			
Instruction	$ 6,297,677	$ 691,431	$ 1,136,170
Support services	4,609,534	252,347	331,921
Interest and fiscal charges	1,117,056	-	-
Depreciation - unallocated	945,868	-	-
Non-program	1,184,979	-	-
Total Governmental Activities	14,155,114	943,778	1,468,091
Business-type Activities			
School food service program	567,321	336,957	228,431
Total School District	$ 14,722,435	$ 1,280,735	$ 1,696,522
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	
		2011	2010
$ (4,470,076)	$ -	$ (4,470,076)	$ (4,657,256)
(4,025,266)	-	(4,025,266)	(4,409,996)
(1,117,056)	-	(1,117,056)	(1,077,780)
(945,868)	-	(945,868)	(913,343)
(1,184,979)	-	(1,184,979)	(964,150)
(11,743,245)	-	(11,743,245)	(12,022,525)
-	(1,933)	(1,933)	36,786
(11,743,245)	(1,933)	(11,745,178)	(11,985,739)
5,108,956	-	5,108,956	4,898,831
2,891	-	2,891	3,689
7,833,605	-	7,833,605	7,881,195
26,857	-	26,857	8,255
47,391	-	47,391	34,199
13,019,700	-	13,019,700	12,826,169
1,276,455	(1,933)	1,274,522	840,430
10,240,494	343,374	10,583,868	9,743,438
$ 11,516,949	$ 341,441	$ 11,858,390	$ 10,583,868

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Balance Sheet
Governmental Funds
June 30, 2011
(With summarized financial information for June 30, 2010)

	General	Debt Service	Other Governmental Funds	Total Governmental Funds 2011	Total Governmental Funds 2010
ASSETS					
Cash and investments	$ 2,547,975	$ 425,704	$ 245,962	$ 3,219,641	$ 3,041,855
Receivables					
Taxes	1,620,189	-	-	1,620,189	1,603,135
Accounts	141,884	-	147	142,031	143,170
Due from other funds	2,114	-	-	2,114	822
Due from other governments	358,700	-	-	358,700	271,021
Inventories and prepaid items	265,317	-	-	265,317	217,201
TOTAL ASSETS	$ 4,936,179	$ 425,704	$ 246,109	$ 5,607,992	$ 5,277,204
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 205,251	$ -	$ 792	$ 206,043	$ 133,687
Accrued payroll	947,103	-	7,629	954,732	892,125
Due to other funds	-	-	2,114	2,114	822
Deferred revenues	29,750	-	7,233	36,983	17,233
Total Liabilities	1,182,104	-	17,768	1,199,872	1,043,867
Fund Balances					
Nonspendable	265,317	-	-	265,317	217,201
Restricted	-	425,704	235,177	660,881	684,768
Committed	388,758	-	-	388,758	110,663
Unassigned	3,100,000	-	(6,836)	3,093,164	3,220,705
Total Fund Balances	3,754,075	425,704	228,341	4,408,120	4,233,337
TOTAL LIABILITIES AND FUND BALANCES	$ 4,936,179	$ 425,704	$ 246,109	$ 5,607,992	$ 5,277,204

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Balance Sheet (Continued)
Governmental Funds
June 30, 2011
(With summarized financial information for June 30, 2010)

		2011	2010
Reconciliation to the Statement of Net Assets			
Total Fund Balances as shown on previous page		$ 4,408,120	$ 4,233,337
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 governmental fund statements.		1,496,799	1,594,122
Prepaid other post-employment benefit obligations are not current financial resources and therefore not reported in the governmental fund statements.		298,161	303,338
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		26,623,600	26,967,659
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Bonds payable	$ 21,055,000		
Accrued interest on long-term obligations	254,731	(21,309,731)	(22,857,962)
Net Assets of Governmental Activities as reported on the Statement of Net Assets (see page 3)		$ 11,516,949	$ 10,240,494

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, 2011
(With summarized financial information for year ended June 30, 2010)

	General	Debt Service	Other Governmental Funds	Total Governmental Funds 2011	Total Governmental Funds 2010
Revenues					
Property taxes	$ 2,641,816	$ 2,280,572	$ 186,568	$ 5,108,956	$ 4,898,831
Other local sources	153,378	190,206	47,565	391,149	350,250
Interdistrict sources	563,022	-	-	563,022	561,070
Intermediate sources	492,365	-	-	492,365	222,616
State sources	7,982,590	-	-	7,982,590	7,617,903
Federal sources	936,565	-	-	936,565	915,242
Other sources	47,754	-	4,391	52,145	40,780
Total Revenues	12,817,490	2,470,778	238,524	15,526,792	14,606,692
Expenditures					
Instruction					
Regular instruction	4,785,789	-	-	4,785,789	4,811,921
Vocational instruction	600,669	-	-	600,669	530,089
Special education instruction	210,427	-	-	210,427	308,820
Other instruction	1,045,508	-	9,928	1,055,436	645,094
Total Instruction	6,642,393	-	9,928	6,652,321	6,295,924
Support Services					
Pupil services	400,377	-	-	400,377	338,244
Instructional staff services	1,207,457	-	-	1,207,457	1,084,218
General administration services	329,733	-	-	329,733	376,024
School administration services	659,847	-	1,387	661,234	743,342
Business services	234,691	-	-	234,691	188,951
Operations and maintenance of plant	1,357,708	-	-	1,357,708	1,300,207
Pupil transportation services	448,628	-	4,788	453,416	525,286
Insurance	98,546	-	-	98,546	87,891
Other support services	4,950	-	-	4,950	218,930
Total Support Services	4,741,937	-	6,175	4,748,112	4,863,093
Debt Service					
Principal	-	1,605,000	-	1,605,000	1,290,000
Interest	-	1,060,287	-	1,060,287	1,099,387
Total Debt Service	-	2,665,287	-	2,665,287	2,389,387
Community Service	-	-	103,410	103,410	94,280
Non-program					
General tuition payments	234,393	-	-	234,393	230,299
Co-curricular cooperative program charges	-	-	-	-	3,843
Special education tuition payments	950,323	-	-	950,323	729,738
Adjustments and refunds	263	-	-	263	270
Total Non-program	1,184,979	-	-	1,184,979	964,150
Total Expenditures	12,569,309	2,665,287	119,513	15,354,109	14,606,834
Excess of Revenues Over (Under) Expenditures	248,181	(194,509)	119,011	172,683	(142)
Other Financing Sources (Uses)					
Payment to refunded bond escrow agent	-	(13,173,317)	-	(13,173,317)	-
Long-term debt issued	-	12,455,000	-	12,455,000	-
Premium and accrued interest from debt refinancing	-	718,317	-	718,317	-
Sale of capital assets	2,100	-	-	2,100	-
Transfers in	6,046	-	10,325	16,371	684,477
Transfers out	(10,325)	-	(6,046)	(16,371)	(684,477)
Total Other Financing Sources (Uses)	(2,179)	-	4,279	2,100	-
Net Change in Fund Balances	246,002	(194,509)	123,290	174,783	(142)
Fund Balances - July 1	3,508,073	620,213	105,051	4,233,337	4,233,479
Fund Balances - June 30	$ 3,754,075	$ 425,704	$ 228,341	$ 4,408,120	$ 4,233,337

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Governmental Funds
Year Ended June 30, 2011
(With summarized financial information for year ended June 30, 2010)

		2011	2010
Reconciliation to the Statement of Activities			
Net Change in Fund Balances from previous page		$ 174,783	$ (142)
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	$ 601,809		
Depreciation expense reported in the statement of activities	(945,868)		
Amount in which depreciation is greater than capital outlays in current period		(344,059)	(652,265)
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		(97,323)	(92,250)
In the statement of activities, post-employment benefits are measured by the amounts paid, less the amounts earned during the year. In the governmental funds, however, expenditures for these benefits are measured by the annual required contribution.		(5,177)	242,117
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.		-	(5,423)
Capital leases are recorded in the governmental funds as payments are made In the statement of activities they are recorded at the inception of the lease.		-	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:		14,000,000	1,290,000
Some capital assets acquired and debt retired during the year were financed with debt. The amount of the debt is reported in the governmental funds as a source of financing. In the statement of net assets, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:		(12,455,000)	-
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.		3,231	2,661
Change in Net Assets of Governmental Activities as Reported on the Statement of Activities (see pages 4 - 5)		$ 1,276,455	$ 803,644

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Property taxes	$ 2,642,574	$ 2,641,816	$ 2,641,816	$ -
Other local sources	102,670	122,820	153,378	30,558
Interdistrict sources	596,097	596,097	563,022	(33,075)
Intermediate sources	216,500	216,500	492,365	275,865
State sources	7,976,288	7,977,052	7,982,590	5,538
Federal sources	534,960	1,006,752	936,565	(70,187)
Other sources	15,000	40,350	47,754	7,404
Total Revenues	12,084,089	12,601,387	12,817,490	216,103
Expenditures				
Instruction				
Regular instruction	5,153,101	4,929,728	4,785,789	143,939
Vocational instruction	566,627	580,592	600,669	(20,077)
Special education instruction	212,665	247,276	210,427	36,849
Other instruction	640,733	1,113,354	1,045,508	67,846
Total Instruction	6,573,126	6,870,950	6,642,393	228,557
Support Services				
Pupil services	385,022	366,812	400,377	(33,565)
Instructional staff services	991,880	1,055,861	1,207,457	(151,596)
General administration services	321,197	319,439	329,733	(10,294)
School administration services	702,413	710,524	659,847	50,677
Business services	215,235	215,400	234,691	(19,291)
Operations and maintenance of plant	1,259,879	1,246,248	1,357,708	(111,460)
Pupil transportation services	463,195	463,195	448,628	14,567
Insurance	90,224	90,224	98,546	(8,322)
Other support services	64,024	64,024	4,950	59,074
Total Support Services	4,493,069	4,531,727	4,741,937	(210,210)
Non-program				
General tuition payments	244,037	230,445	234,393	(3,948)
Special education tuition payments	764,357	764,357	950,323	(185,966)
Adjustments and refunds	-	-	263	(263)
Total Non-program	1,008,394	994,802	1,184,979	(190,177)
Total Expenditures	12,074,589	12,397,479	12,569,309	(171,830)
Excess of Revenues Over (Under) Expenditures	9,500	203,908	248,181	44,273
Other Financing Sources (Uses)				
Sale of capital assets	-	-	2,100	2,100
Transfers in	757,305	778,632	6,046	(772,586)
Transfers out	(788,132)	(788,132)	(10,325)	777,807
Total Other Financing Sources (Uses)	(30,827)	(9,500)	(2,179)	7,321
Net Change in Fund Balance	(21,327)	194,408	246,002	51,594
Fund Balance - July 1	3,508,073	3,508,073	3,508,073	-
Fund Balance - June 30	$ 3,486,746	$ 3,702,481	$ 3,754,075	$ 51,594

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, 2011
(With summarized financial information for June 30, 2010)

	Food Service	
	2011	2010
ASSETS		
Current Assets		
Cash and investments	$ 168,277	$ 199,979
Accounts receivable	154	1,290
Due from other governments	3,728	-
Total Current Assets	172,159	201,269
Capital Assets		
Machinery and equipment	434,982	391,388
Vehicles	7,047	7,047
Less: Accumulated depreciation	258,652	242,023
Total Capital Assets, net of accumulated depreciation	183,377	156,412
TOTAL ASSETS	355,536	357,681
LIABILITIES		
Current Liabilities		
Accounts payable	54	302
Accrued liabilities	759	-
Unearned revenues	13,282	14,005
TOTAL LIABILITIES	14,095	14,307
NET ASSETS		
Invested in capital assets	183,377	156,412
Unrestricted	158,064	186,962
TOTAL NET ASSETS	$ 341,441	$ 343,374

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, 2011
(With summarized financial information for year ended June 30, 2010)

	Food Service	
	2011	2010
Operating Revenues		
Food sales	$ 336,272	$ 349,305
Interdistrict sources	-	22,695
State sources	11,818	11,766
Federal sources	186,654	181,730
Federal commodities	29,959	22,991
Other sources	685	2,258
Total Operating Revenues	565,388	590,745
Operating Expenses		
Salaries, wages and benefits	230,439	227,059
Purchased services	14,854	26,110
Supplies and materials	302,006	280,552
Other	1,069	2,162
Depreciation	18,953	18,076
Total Operating Expenses	567,321	553,959
Change in Net Assets	(1,933)	36,786
Net Assets - July 1	343,374	306,588
Net Assets - June 30	$ 341,441	$ 343,374

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, 2011
(With summarized financial information for year ended June 30, 2010)

	Food Service	
	2011	2010
Cash Flows from Operating Activities		
Cash received from users	$ 337,408	$ 372,070
Cash received from other government payments	224,665	218,158
Cash payments to employees	(230,439)	(229,658)
Cash payments to suppliers	(316,696)	(312,906)
Net Cash Provided by Operating Activities	14,938	47,664
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(46,640)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(31,702)	47,664
Cash and Cash Equivalents - July 1	199,979	152,315
Cash and Cash Equivalents - June 30	$ 168,277	$ 199,979
Reconciliation of Change in Net Assets to Net		
Cash Provided by Operating Activities:		
Change in net assets	$ (1,933)	$ 36,786
Adjustments to reconcile operating income		
to net cash provided by operating activities		
Depreciation	18,953	18,076
Loss on disposal of capital assets	722	-
Changes in assets and liabilities		
Due from other governments	(3,728)	-
Accounts receivable	1,136	70
Accounts payable	511	(6,681)
Unearned revenues	(723)	(587)
Net Cash Provided by Operating Activities	$ 14,938	$ 47,664
Noncash Noncapital Financing Activities:		
Commodities Received From		
U.S. Department of Agriculture	$ 30,653	$ 22,991

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, 2011
(With summarized financial information for June 30, 2010)

	Private-Purpose Trust Fund	Employee Benefit Trust Fund	Agency Fund	Total 2011	Total 2010
ASSETS					
Cash and cash equivalents	$ 83,788	$ 483,111	$ 146,546	$ 713,445	$ 405,926
Accounts receivable	-	-	-	-	30
TOTAL ASSETS	$ 83,788	$ 483,111	$ 146,546	$ 713,445	$ 405,956
LIABILITIES					
Accounts payable	$ -	$ 140,231	$ 419	$ 140,650	$ 139,328
Due to student organizations	-	-	146,127	146,127	122,032
TOTAL LIABILITIES	-	140,231	146,546	286,777	261,360
NET ASSETS					
Restricted	83,788	342,880	-	426,668	144,566
TOTAL LIABILITIES AND NET ASSETS	$ 83,788	$ 483,111	$ 146,546	$ 713,445	$ 405,926

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, 2011
(With summarized financial information for year ended June 30, 2010)

	Private Purpose Trust Fund	Employee Benefit Trust Fund	Total Fiduciary Funds	
			2011	2010
ADDITIONS				
Gifts and contributions	$ 354	$ -	$ 354	$ 250
Interest	837	-	837	2,134
Local sources	-	29,531	29,531	3,898
Other sources	-	130,474	130,474	379,056
Total Additions	1,191	160,005	161,196	385,338
DEDUCTIONS				
Trust fund disbursements	2,901	130,474	133,375	131,057
Change in Net Assets	(1,710)	29,531	27,821	254,281
Net Assets - July 1	85,498	313,349	398,847	144,566
Net Assets - June 30	$ 83,788	$ 342,880	$ 426,668	$ 398,847

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.

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 implemented GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*" for the year ended June 30, 2011. The District changed the financial reporting of the Special Education program from being reported as a special revenue fund to being included as part of the General Fund. The District reports the following special revenue funds, including the purpose and significant revenue source:

Fund	Purpose	Significant Revenues
Community Service Fund	To support community activities.	Property taxes.
Engler Center Fund	To support various Engler Center activities.	Donations and program fees.
Cooperative Program Fund	To support extra-curricular activities.	Program fees.

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 *employee benefit trust fund* is used to account for resources legally held in trust for post-employment health insurance benefits.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 nonspendable fund balance 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

For the year ended June 30, 2011, the District implemented GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which fund balance amounts can be spent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.

- Restricted fund balance – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

- Committed fund balance – Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.

- Assigned fund balance – Amounts that are constrained for specific purposes by action of District management. The Board of Education has authorized the district administrator to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

- Unassigned fund balance – Amounts that are available for any purpose. Unassigned amounts are only reported in the General Fund.

The District has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2010, 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 committed or assigned 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, 2011.

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. Investments in the private-purpose trust fund and employee benefit trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, *"Uniform Prudent Investor Act".*

The carrying amount of the District's cash and investments totaled $4,101,363 on June 30, 2011 as summarized below:

Petty cash and cash on hand	$ 1,035
Deposits with financial institutions	3,616,289
Investments	
Wisconsin local government investment pool	928
Money market fund	72,345
Exchange traded and closed end funds	410,766
	$ 4,101,363

Reconciliation to the basic financial statements:

Basic financial statements	
Cash and investments	$ 3,387,918
Fiduciary funds	
Private-purpose trust fund	83,788
Employee benefit trust fund	483,111
Agency funds	146,546
	$ 4,101,363

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.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for time and savings deposits and $250,000 for demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of $250,000 per official custodian per depository institution. In addition, the District's non-interest bearing transaction accounts are fully insured through December 31, 2012. Also, 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, 2011, $2,979,138 of the District's uninsured deposits with financial institutions were collateralized, with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

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	$ 928	$ -	$ -	$ -	$ 928
Money market fund	72,345	-	-	-	72,345
Exchange traded and closed end funds	410,766	-	410,766	-	-
Totals	$ 484,039	$ -	$ 410,766	$ -	$ 73,273

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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.

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	$ 928	$ 928	$ -	$ -	$ -
Money market fund	72,345	72,345	-	-	-
Exchange traded and closed end funds	410,766	410,766	-	-	-
Totals	$ 484,039	$ 484,039	$ -	$ -	$ -

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of $928 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, 2011, 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, 2011 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	3,757,753	575,411	-	4,333,164
Vehicles	60,998	26,398	-	87,396
Subtotals	37,515,567	601,809	-	38,117,376
Less accumulated depreciation for:				
Land improvements	627,227	67,105	-	694,332
Buildings	7,214,991	645,620	-	7,860,611
Machinery and equipment	2,691,201	233,143	-	2,924,344
Vehicles	60,999	-	-	60,999
Subtotals	10,594,418	945,868	-	11,540,286
Total capital assets, being depreciated, net	26,921,149	(344,059)	-	26,577,090
Governmental activities capital assets, net	$ 26,967,659	$ (344,059)	$ -	26,623,600
Less related long-term debt outstanding				21,055,000
Invested in capital assets, net of related debt				$ 5,568,600

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Machinery and equipment	$ 391,388	$ 46,640	$ 3,046	$ 434,982
Vehicles	7,047	-	-	7,047
Subtotals	398,435	46,640	3,046	442,029
Less accumulated depreciation for:				
Machinery and equipment	238,610	18,072	2,324	254,358
Vehicles	3,413	881	-	4,294
Subtotals	242,023	18,953	2,324	258,652
Total capital assets, being depreciated, net	$ 156,412	$ 27,687	$ 722	$ 183,377

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, 2011 were as follows:

	Transfer to:		
	General Fund	Cooperative Fund	Totals
Transfers from:			
General fund	$ -	$ 10,325	$ 10,325
Trust fund	6,046	-	6,046
Totals	$ 6,046	$ 10,325	$ 16,371

The transfers move revenues from the funds allowed to collect to those in which the expenditures were made.

5. Unconditional Promises to Give
Unconditional promises to give as of June 30, 2011 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	925,000
Total unconditional promises to give	2,035,000
Less: Discount to net present value at 5.5%	(538,201)
Net unconditional promises to give	$ 1,496,799

6. Long-term Obligations
The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2011.

	Outstanding 7/1/10	Issued	Retired	Outstanding 6/30/11	Due Within One Year
Governmental activities:					
General Obligation Debt Bonds	$ 22,600,000	$ 12,455,000	$ 14,000,000	$ 21,055,000	$ 1,590,000
Capital leases	18,946	-	18,946	-	-
Governmental activities Long-term obligations	$ 22,618,946	$ 12,455,000	$ 14,018,946	$ 21,055,000	$ 1,590,000

Total interest paid during the year on long-term debt totaled $1,060,287.

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

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%	$ 980,000
$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%	480,000
$1,080,000 issued 4/15/03; $65,000 to $120,000 due annually through 2017; interest 4.65%	605,000
$12,300,000 issued 11/15/10; $45,000 to $2,215,000 due annually through 2022; interest 4.00%	12,300,000
Total Outstanding General Obligation Debt	$ 21,055,000

Annual principal and interest maturities of the outstanding general obligation debt of $21,055,000 on June 30, 2011 are detailed below:

Year Ended December 31	Governmental Activities		
	Principal	Interest	Total
2012	$ 1,590,000	$ 1,018,924	$ 2,608,924
2013	1,690,000	740,290	2,430,290
2014	1,750,000	687,755	2,437,755
2015	1,815,000	633,338	2,448,338
2016	1,880,000	576,755	2,456,755
2017-2021	10,215,000	1,696,845	11,911,845
2022	2,115,000	84,600	2,199,600
	$ 21,055,000	$ 5,438,507	$ 26,493,507

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

Legal Margin for New Debt
The District's legal margin for creation of additional general obligation debt on June 30, 2011 was $31,346,362 as follows:

Equalized valuation of the District		$ 519,756,581
Statutory limitation percentage		(x) 10%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		51,975,658
Total outstanding general obligation debt applicable to debt limitation	$ 21,055,000	
Less: Amounts available for financing general obligation debt Debt service fund	(425,704)	
Net outstanding general obligation debt applicable to debt limitation		20,629,296
Legal Margin for New Debt		$ 31,346,362

NOTE C - DETAILED NOTES ON ALL FUNDS (Continued)

Advance Refunding
During 2010 the District advance refunded a general obligation bond issues from 2002. The District issued $12,455,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from general long-term debt. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by $671,580 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of $563,006.

At June 30, 2011 $12,395,000 of outstanding general obligation bonds are considered defeased.

7. Fund Equity
In the fund financial statements, portions of governmental fund balances are committed by Board of Education action. At June 30, 2011, fund balance was committed as follows:

Fund	Reason for Commitment	Amount
General	Subsequent Year's Budget	$ 388,758

Minimum Fund Balance Policy
The Board of Education has adopted a policy that fund balance in the amount of 20% to 25% of general fund expenditures be maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

Actual 2010-2011 General Fund Expenditures	$12,569,309
Minimum Fund Balance %	20% - 25%
Minimum Fund Balance Amount	$2,513,862 to $3,142,327

The District's unassigned general fund balance of $3,100,000 is within the range of the above minimum balance amount.

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, 2010. All permanent employees expected to work at least 600 hours a year (440 hours for teachers and school district educational support personnel) are eligible to participate in the WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 6.2% 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.

NOTE D - OTHER INFORMATION (Continued)

The payroll for District employees covered by the WRS for the year ended December 31, 2010 was $5,634,361 and the total payroll was $5,723,129. The total required contribution for the year ended December 31, 2010 was $619,780, which consisted of $270,449 or 4.8% of payroll from the employer and $349,331, or 6.2% of payroll from employees. Total contributions for the years ending December 31, 2009 and 2008 were $585,439 and $571,145 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 year's 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.

2. Other Post Employment Benefits
Plan Description - The amounts incurred by the District for continued health care for all classifications that are entitled to a benefit are briefly outlined below. There are 104 active and 14 retired employees in the plan.

   a. Teachers: At least age 55 with a minimum of 20 years of service; upon retirement, the District shall contribute towards a retiree's medical premiums frozen at 100% of the single rate in effect upon retirement. The District's contributions will continue frozen at this amount for a period determined by the retiree's accumulated sick days, daily base rate, and the monthly single medical premium in effect. The retiree will be responsible for any and all increases to the premium that may occur while receiving their benefit.

   b. Non-Certified Support Staff: At least age 60 with a minimum of 20 years of service; upon retirement, the District shall contribute towards a retiree's medical premiums frozen at 100% of the single rate in effect upon retirement. The District's contributions will continue frozen at this amount for a period determined by the retiree's accumulated sick days, daily base rate and the single monthly medical premium in effect. The retiree will be responsible for any and all increases to the premium that may occur while receiving their benefit.

   c. Administrators: At least age 55 with a minimum of 15 years of service; upon retirement, the District shall pay the full amount (100%) of the medical and dental premiums on behalf of the retiree. The total contributions, however, will not exceed the maximum amount of $17,500 per year. The District's contributions will continue in this manner for a period of 8 years or until Medicare-eligibility, whichever should occur first.

NOTE D - OTHER INFORMATION (Continued)

d. Superintendent: At least age 55 with a minimum of 5 years of service; in return for each year of service, the District will make contributions towards a retiree's medical and dental premiums for a one year period, up to a maximum of 8 years. These contributions will be equal to the full amount ($100%) of the medical and dental premiums but will not exceed the maximum of $17,500 per year.

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	$ 131,570
Interest on net OPEB	(19,717)
Adjustment to annual required contribution	23,798
Annual OPEB cost (expense)	135,651
Contributions made	130,474
Change in net OPEB obligation	5,177
OPEB obligation (asset) - beginning of year	(303,338)
OPEB obligation (asset) - end of year	$ (298,161)

The annual required contribution for the current year was determined as part of the July 1, 2010 actuarial valuation using the projected unit credit.

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 percentage of projected payroll. The remaining amortization period at June 30, 2011 is 27 years, and the remaining amount is $794,019.

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 2011 and 2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Asset
6/30/2010	$ 115,906	308.89%	$ (303,338)
6/30/2011	135,651	96.18%	(298,161)

Funded Status and Funding Progress - As of July 1, 2010, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was $794,019. The annual payroll for active employees covered by the plan for the 2011 fiscal year was $5,723,129 for a ratio of the UAAL to covered payroll of 13.9%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, 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.

NOTE D - OTHER INFORMATION (Continued)

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the 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, 2010 actuarial valuation, the level dollar 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 10% for medical and for dental, reduced by 1% annual decrements to an ultimate rate of 5% for medical and 4% for dental. The UAAL is being amortized as a level percentage of projected payrolls. The remaining amortization period at June 30, 2011 was 27 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, 2011

Actuarial Valuation Date	(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)
July 1, 2007	$ -	$ 1,180,264	0.00%	$ 1,180,264	$ 5,677,597	20.79%
July 1, 2010	442,405	1,236,424	35.78%	794,019	5,723,129	13.9%

The District implemented GASB #45 for the fiscal year ended June 30, 2009.

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Employer Contributions
Other Post-Employment Benefit Plan
June 30, 2011

Year Ended June 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2009	$ 177,129	$ 115,906	152.82%
2010	358,023	115,906	308.89%
2011	130,474	131,570	99.17%

The District implemented GASB #45 for the fiscal year ended June 30, 2009.

SUPPLEMENTAL INFORMATION

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Detail Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2011

	Original Budgeted Amounts		
	Fund 10	Fund 27	Total
Revenues			
Property taxes	$ 2,642,574	$ -	$ 2,642,574
Other local sources	102,670	-	102,670
Interdistrict sources	524,059	72,038	596,097
Intermediate sources	21,500	195,000	216,500
State sources	7,916,288	60,000	7,976,288
Federal sources	425,719	109,241	534,960
Other sources	15,000	-	15,000
Total Revenues	11,647,810	436,279	12,084,089
Expenditures			
Instruction			
Regular instruction	5,153,101	-	5,153,101
Vocational instruction	566,627	-	566,627
Special education instruction	-	212,665	212,665
Other instruction	640,733	-	640,733
Total Instruction	6,360,461	212,665	6,573,126
Support Services			
Pupil services	249,566	135,456	385,022
Instructional staff services	967,774	24,106	991,880
General administration services	321,197	-	321,197
School administration services	702,413	-	702,413
Business services	213,235	2,000	215,235
Operations and maintenance of plant	1,259,879	-	1,259,879
Pupil transportation services	408,195	55,000	463,195
Insurance	90,224	-	90,224
Other support services	64,024	-	64,024
Total Support Services	4,276,507	216,562	4,493,069
Non-program			
General tuition payments	244,037	-	244,037
Special education tuition payments	-	764,357	764,357
Adjustments and refunds	-	-	-
Total Non-program	244,037	764,357	1,008,394
Total Expenditures	10,881,005	1,193,584	12,074,589
Excess of Revenues Over (Under) Expenditures	766,805	(757,305)	9,500
Other Financing Sources (Uses)			
Sale of capital assets	-	-	-
Transfers in	-	757,305	757,305
Transfers out	(788,132)	-	(788,132)
Total Other Financing Sources (Uses)	(788,132)	757,305	(30,827)
Net Change in Fund Balance	(21,327)	-	(21,327)
Fund Balance - July 1	3,508,073	-	3,508,073
Fund Balance - June 30	$ 3,486,746	$ -	$ 3,486,746

Final Budgeted Amounts			Actual Amounts		
Fund 10	Fund 27	Total	Fund 10	Fund 27	Total
$ 2,641,816	$ -	$ 2,641,816	$ 2,641,816	$ -	$ 2,641,816
122,820	-	122,820	153,378	-	153,378
530,855	65,242	596,097	505,629	57,393	563,022
21,500	195,000	216,500	21,080	471,285	492,365
7,917,052	60,000	7,977,052	7,918,903	63,687	7,982,590
897,511	109,241	1,006,752	823,906	112,659	936,565
40,350	-	40,350	47,586	168	47,754
12,171,904	429,483	12,601,387	12,112,298	705,192	12,817,490
4,929,728	-	4,929,728	4,785,789	-	4,785,789
580,592	-	580,592	600,669	-	600,669
-	247,276	247,276	-	210,427	210,427
1,113,354	-	1,113,354	1,045,508	-	1,045,508
6,623,674	247,276	6,870,950	6,431,966	210,427	6,642,393
251,820	114,992	366,812	276,959	123,418	400,377
1,031,371	24,490	1,055,861	1,177,736	29,721	1,207,457
319,439	-	319,439	329,733	-	329,733
710,524	-	710,524	659,847	-	659,847
213,400	2,000	215,400	232,698	1,993	234,691
1,246,248	-	1,246,248	1,357,708	-	1,357,708
408,195	55,000	463,195	410,791	37,837	448,628
90,224	-	90,224	98,546	-	98,546
64,024	-	64,024	4,950	-	4,950
4,335,245	196,482	4,531,727	4,548,968	192,969	4,741,937
230,445	-	230,445	234,393	-	234,393
-	764,357	764,357	-	950,323	950,323
-	-	-	263	-	263
230,445	764,357	994,802	234,656	950,323	1,184,979
11,189,364	1,208,115	12,397,479	11,215,590	1,353,719	12,569,309
982,540	(778,632)	203,908	896,708	(648,527)	248,181
-	-	-	2,100	-	2,100
-	778,632	778,632	6,046	-	6,046
(788,132)	-	(788,132)	(658,852)	648,527	(10,325)
(788,132)	778,632	(9,500)	(650,706)	648,527	(2,179)
194,408	-	194,408	246,002	-	246,002
3,508,073	-	3,508,073	3,508,073	-	3,508,073
$ 3,702,481	$ -	$ 3,702,481	$ 3,754,075	$ -	$ 3,754,075

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011
(With summarized financial information for June 30, 2010)

	Special Revenue Funds		Capital Projects Fund	Total Nonmajor Governmental Funds	
	Community Service Fund	Engler Center Fund		2011	2010
ASSETS					
Cash and investments	$ -	$ 44,090	$ 201,872	$ 245,962	$ 124,006
Receivables					
Accounts	97	50	-	147	563
TOTAL ASSETS	$ 97	$ 44,140	$ 201,872	$ 246,109	$ 124,569
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 792	$ -	$ -	$ 792	$ -
Accrued payroll	4,027	3,602	-	7,629	2,285
Due to other funds	2,114	-	-	2,114	-
Deferred revenues	-	7,233	-	7,233	17,233
Total Liabilities	6,933	10,835	-	17,768	19,518
Fund Balances					
Restricted	-	33,305	201,872	235,177	58,171
Unassigned	(6,836)	-	-	(6,836)	46,880
Total Fund Balances	(6,836)	33,305	201,872	228,341	105,051
TOTAL LIABILITIES AND FUND BALANCES	$ 97	$ 44,140	$ 201,872	$ 246,109	$ 124,569

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2011
(With summarized financial information for year ended June 30, 2010)

	Special Revenue Funds			
	Trust Fund	Community Service Fund	Engler Center Fund	Cooperative Program Fund
Revenues				
Property taxes	$ -	$ 40,718	$ 3,150	$ -
Other local sources	1,050	12,964	32,550	-
Other sources	-	-	-	4,391
Total Revenues	1,050	53,682	35,700	4,391
Expenditures				
Instruction				
Other instruction	-	-	-	9,928
Support Services				
School administration services	1,387	-	-	-
Operations and maintenance of plant	-	-	-	-
Pupil transportation services	-	-	-	4,788
Total Support Services	1,387	-	-	4,788
Community services	-	101,015	2,395	-
Total Expenditures	1,387	101,015	2,395	14,716
Excess of Revenues Over (Under) Expenditures	(337)	(47,333)	33,305	(10,325)
Other Financing Sources (Uses)				
Transfers in	-	-	-	10,325
Transfers out	(6,046)	-	-	-
Total Other Financing Sources (Uses)	(6,046)	-	-	10,325
Net Change in Fund Balances	(6,383)	(47,333)	33,305	-
Fund Balances - July 1	6,383	40,497	-	-
Fund Balances - June 30	$ -	$ (6,836)	$ 33,305	$ -

Capital Projects Fund	Total Nonmajor Governmental Funds	
	2011	2010
$ 142,700	$ 186,568	$ 186,208
1,001	47,565	41,090
-	4,391	476
143,701	238,524	227,774
-	9,928	-
-	1,387	3,780
-	-	75,528
-	4,788	-
-	6,175	79,308
-	103,410	94,280
-	119,513	173,588
143,701	119,011	54,186
-	10,325	-
-	(6,046)	-
-	4,279	-
143,701	123,290	54,186
58,171	105,051	50,865
$ 201,872	$ 228,341	$ 105,051

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Changes in Assets and Liabilities
Pupil Activity Funds
Year Ended June 30, 2011

	Balance July 1, 2010	Receipts	Disbursements	Balance June 30, 2011
ASSETS				
Cash and investments	$ 127,830	$ 303,699	$ 285,402	$ 146,127
LIABILITIES				
Due to student organizations				
Class of 2009	$ 2,452	$ -	$ 2,452	$ -
Class of 2010	1,839		1,839	-
Class of 2011	2,789	4,126	4,061	2,854
Class of 2012	1,321	3,985	2,466	2,840
Class of 2013	356	2,080	1,022	1,414
Class of 2014	-	955	141	814
Drama Club	1,850	1,140	1,013	1,977
Middle School student council	2,104	5,994	6,038	2,060
Middle School library account	2,866	11,339	11,274	2,931
High School library account	3,542	354	141	3,755
Media Club	391	3,363	3,701	53
Class trip 2012	10,767	14,007	11,660	13,114
Class trip 2010	131	6,880	3,593	3,418
Pool/soda machine	1,897	-	-	1,897
Class trip 2011	6,385	4,998	11,382	1
Soda machines	3,149	3,702	4,192	2,659
High School student council	1,742	3,673	3,204	2,211
Home Education Club	1,317	703	461	1,559
Yearbook	2,134	18,790	19,343	1,581
Choir trip	659	20,211	20,226	644
Music campership	726	82	-	808
Clearing	317	37,325	37,325	317
Alumni account	1,019	-	-	1,019
Weight Lifter Club	593	2,164	1,185	1,572
Athletic activities	388	1,458	1,438	408
Pom poms	2,374	23,070	20,320	5,124
Cheerleaders	277	-	-	277
School gift fund	5,315	4,504	2,924	6,895
AFS student account	190	2,122	1,678	634
FFA	2,896	9,166	9,058	3,004
Spanish Club	138	642	660	120
Girls basketball	100	-	-	100
Girls softball	1,382	262	462	1,182
Girls tennis	427	-	-	427
Volleyball	1,270	3,687	3,971	986
Math league	39	-	-	39

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Changes in Assets and Liabilities (Continued)
Pupil Activity Funds
Year Ended June 30, 2011

	Balance July 1, 2010	Receipts	Disbursements	Balance June 30, 2011
LIABILITIES (Continued)				
Due to student organizations (continued)				
Science league	2,434	1,619	1,162	2,891
"Close Up" Club	136	1,805	1,325	616
Ski Club	286	3,012	3,071	227
School greenhouse	3,644	3,911	2,639	4,916
FBLA	3,881	607	468	4,020
Elementary POPS	19,762	15,036	14,054	20,744
Baseball	5,403	4,438	4,087	5,754
Boys basketball	3,176	7,126	7,879	2,423
Vocational arts class	1,042	13,767	12,954	1,855
Tuesday night talk	413	-	130	283
WIAA Tournament	1,401	2,341	115	3,627
Football	1,371	-	190	1,181
Golf	3	-	-	3
Wrestling	56	-	-	56
Middle School Cooking Club	25	60	32	53
MS POPS	8,602	28,311	25,161	11,752
School store	5,261	6,002	-	11,263
Cross country activity	1,696	537	457	1,776
Art Club	291	150	140	301
HS POPS	1,650	15,281	14,380	2,551
HS student activity	557	706	857	406
Curling Club	332	-	-	332
Concessions	439	1,731	2,091	79
AP reward field trip	376	894	907	363
8th grade trip	451	5,583	6,073	(39)
TOTAL LIABILITIES	$ 127,830	$ 303,699	$ 285,402	$ 146,127

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

Schenck sc
CPAs AND SO MUCH MORE.

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, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 16, 2011. 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2011-01 that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 response to the finding identified in our audit is described in the accompanying schedule of prior audit findings and corrective action plan. We did not audit the School District of Chilton, Wisconsin's response and, accordingly, we express no opinion on it.

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
September 16, 2011

FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE

Schenck SC
CPAs AND SO MUCH MORE.

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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, Wisconsin (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, 2011. 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, 2011.

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 or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-02. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's response to the finding identified in our audit is described in the accompanying schedule of prior audit findings and corrective action plan. 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.

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
September 16, 2011

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2011

Grantor Agency/Federal Program Title	Pass-through Agency	Federal Catalog Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 7/1/10	Cash Received	Accrued or (Deferred) Revenue 6/30/11	Total Revenues	
U.S. DEPARTMENT OF AGRICULTURE							
Child Nutrition Cluster							
National School Breakfast Program	WI Department of Public Instruction	10.553					
July 1, 2010 - June 30, 2011			$ -	$ 34,453	$ 627	$ 35,080	$ 35,080
National School Lunch Program	WI Department of Public Instruction	10.555					
July 1, 2010 - June 30, 2011			-	148,474	3,100	151,574	151,574
Donated Commodities			-	30,653	-	30,653	30,653
Total *Child Nutrition Cluster* and U.S. Department of Agriculture			-	213,580	3,727	217,307	217,307
U.S. DEPARTMENT OF EDUCATION							
Title I, Part A Cluster							
Title I Grants to Local Educational Agencies	WI Department of Public Instruction	84.010					
July 1, 2009 - June 30, 2010			(33,764)	33,764	-	-	-
July 1, 2010 - June 30, 2011			-	117,506	43,724	161,230	161,230
ARRA-Title I Grants to Local Educational Agencies	WI Department of Public Instruction	84.389					
July 1, 2010 - June 30, 2011			(18,561)	39,744	-	21,183	21,183
Total *Title I, Part A Cluster*			(52,325)	191,014	43,724	182,413	182,413
Tech Prep - FVTC	WI Department of Public Instruction	84.243					
July 1, 2010 - June 30, 2011			-	1,000	-	1,000	1,000
Title II Improving Teacher Quality State Grants	WI Department of Public Instruction	84.367					
July 1, 2009 - June 30, 2010			(34,091)	34,091	-	-	-
July 1, 2010 - June 30, 2011			-	34,279	-	34,279	34,279

(Continued)

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2011

Grantor Agency/Federal Program Title	Pass-through Agency	Federal Catalog Number	Revenues				Total Expenditures
			(Accrued) or Deferred Revenue 7/1/10	Cash Received	Accrued or (Deferred) Revenue 6/30/11	Total Revenues	
U.S. DEPARTMENT OF EDUCATION (Continued)							
Vocational Education - Basic Grant	WI Department of Public Instruction	84.048					
July 1, 2009 - June 30, 2010			(8,108)	8,108	-	-	-
July 1, 2010 - June 30, 2011			-	7,338	-	7,338	7,338
Title III-A	WI Department of Public Instruction	84.365					
July 1, 2010 - June 30, 2011			-	1,242	-	1,242	1,242
Special Education Cluster							
IDEA Flow Thru	WI Department of Public Instruction	84.027					
July 1, 2010 - June 30, 2011			-	253,634	-	253,634	253,634
ARRA- IDEA Flow Thru	WI Department of Public Instruction	84.391					
July 1, 2009 - June 30, 2010			(19,682)	19,682	-	-	-
July 1, 2010 - June 30, 2011			-	67,733	2,957	70,690	70,690
ARRA- Preschool Entitlement		84.392					
July 1, 2010 - June 30, 2011			-	11,551	-	11,551	11,551
Total *Special Education Cluster*			(19,682)	352,600	2,957	335,875	335,875
Education Jobs Funding		84.410					
July 1, 2010 - June 30, 2011			-	131,384	81,181	212,565	212,565
Carol M. White Physical Education Program		84.215F					
July 1, 2010 - June 30, 2011			-	414,205	(25,556)	388,649	388,649
Total U.S. Department of Education			(114,206)	1,175,261	102,306	1,163,361	1,163,361
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Medical Assistance Program	WI Department of Health Services	93.778	-	30,418	-	30,418	30,418
TOTAL FEDERAL AWARDS			$ (114,206)	$ 1,419,259	$ 106,033	$ 1,411,086	$ 1,411,086

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, 2011

Awarding Agency Pass-Through Agency Award Description	State I.D. Number	Revenues				Total Expenditures
		(Accrued) or Deferred Revenue 7/01/10	Cash Received	Accrued or (Deferred) Revenue 6/30/11	Total Revenues	
ENTITLEMENT PROGRAMS						
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
MAJOR STATE PROGRAMS						
Special Education and School Age Parents:	255.101					
Internal district program		$ -	$ 63,687	$ -	$ 63,687	$ 63,687
Participant in Package Program at CESA 7		-	150,722	55,976	206,698	206,698
Subtotal		-	214,409	55,976	270,385	270,385
General equalization aid	255.201					
2009-2010		(132,862)	132,862	-	-	-
2010-2011		-	7,656,968	131,389	7,788,357	7,788,357
TOTAL MAJOR STATE PROGRAMS		(132,862)	8,004,239	187,365	8,058,742	8,058,742
NONMAJOR STATE PROGRAMS						
State lunch	255.102	-	6,099	-	6,099	6,099
Common school fund library	255.103	-	50,378	-	50,378	50,378
Pupil transportation	255.107	-	32,670	-	32,670	32,670
Morning Milk Program	255.109	-	562	-	562	562
State breakfast	255.344	-	5,157	-	5,157	5,157
Mentoring program	255.355	-	2,250	-	2,250	2,250
TOTAL NONMAJOR STATE PROGRAMS		-	97,116	-	97,116	97,116
TOTAL STATE FINANCIAL ASSISTANCE		$ (132,862)	$ 8,101,355	$ 187,365	$ 8,155,858	$ 8,155,858

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, 2011

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 2010-2011 eligible costs under the State Special Education Program as reported by the District are $208,579.

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, 2011

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?	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?	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
Special Education Cluster	
84.027	IDEA Flow Through
84.173	IDEA Preschool
84.391	ARRA - IDEA Flow Through
84.392	ARRA - IDEA Preschool
84.215F	Carol M. White Physical Education Program

Audit threshold used to determine between Type A and Type B programs:	
Federal	$300,000
State	$100,000
Auditee qualified as a low-risk auditee:	Yes

Section II – Basic Financial Statement Findings

Finding No.	Control Deficiencies

2011-01 **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.

Effect: The financial statements of the District could be misstated and not detected and corrected in a timely manner without our review and posting of adjusting and closing entries.

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

2011-02 **Financial Reporting for Federal and State Financial Assistance**

CFDA#: All federal and state programs

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.

Effect: The District could receive federal or state grant awards which are not included in the accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance.

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 Findings and Questioned Costs (Continued)
Year Ended June 30, 2011

Section IV - Other Issues

Does the auditor's report of the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	____ Yes	_X_ No
Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:		
Department of Public Instruction	_X_ Yes	____ No
Department of Health Services	_X_ Yes	____ No
Was a Management Letter or other document conveying audit comments issued as a result of this audit?	_X_ Yes	____ No
Name and signature of shareholder	Paul G. Denis, CPA Paul G. Denis, Shareholder	
Date of report	September 16,, 2011	

SCHOOL DISTRICT OF CHILTON
Chilton, Wisconsin
Schedule of Prior Year Audit Findings and Corrective Action Plan
June 30, 2011

Status of Prior Year Audit Findings

The findings noted in the 2010 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 2010-01 and 2010-02 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
2011-01	**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. Management will continue to review financial statements and other information prepared by Schenck.
2011-02	**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. Management will continue to review financial statements and other information prepared by Schenck.