

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2015

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Chilton as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District of Chilton's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Chilton as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the School District of Chilton has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Chilton's basic financial statements. The combining and individual nonmajor fund financial statements and schedule of changes in assets and liabilities - agency funds are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and *State Single Audit Guidelines* and are also not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, schedule of changes in assets and liabilities - agency funds, schedule of expenditures of federal awards, and the schedule of 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2015, on our consideration of the School District of Chilton'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District of Chilton's internal control over financial reporting and compliance.

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
October 21, 2015

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**BASIC
FINANCIAL STATEMENTS**

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

SCHOOL DISTRICT OF CHILTON
STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments	\$ 3,469,356
Receivables	
Accounts	9,484
Taxes	1,690,087
Receivable from external parties	120,489
Due from other governments	469,520
Prepaid expenses	333,503
Wisconsin Retirement System net pension	1,095,372
Unconditional promise to give	1,051,187
Capital assets (net of accumulated depreciation)	
Capital assets not being depreciated	2,250,552
Capital assets being depreciated	<u>23,493,131</u>
TOTAL ASSETS	<u>33,982,681</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Wisconsin Retirement System pension	<u>913,635</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u><u>34,896,316</u></u>
 LIABILITIES	
Accounts payable	2,295,638
Accrued liabilities	
Payroll, payroll taxes, insurance	1,103,102
Interest	117,176
Due to external parties	37,811
Due to other governments	12,670
Due to student organization	149,411
Deposits payable	112,400
Unearned revenue	20,924
Current portion of long-term obligations	1,828,058
Noncurrent portion of long-term obligations	<u>12,144,545</u>
TOTAL LIABILITIES	<u>17,821,735</u>
 DEFERRED INFLOWS OF RESOURCES	
Revenue on refunding	175,750
Wisconsin Retirement System pension	<u>39,262</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>215,012</u>
 NET POSITION	
Net investment in capital assets	11,595,330
Restricted for	
Debt service	347,839
Capital projects	743,603
Unrestricted	<u>4,172,797</u>
TOTAL NET POSITION	<u>16,859,569</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u><u>\$ 34,896,316</u></u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE		NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular instruction	\$ 4,801,756	\$ 39,988	\$ -	\$ (4,761,768)
Vocational instruction	500,339	15,519	-	(484,820)
Special instruction	749,815	16,255	569,773	(163,787)
Other instruction	731,837	86,157	-	(645,680)
Total instruction	<u>6,783,747</u>	<u>157,919</u>	<u>569,773</u>	<u>(6,056,055)</u>
Support services				
Pupil services	442,330	-	-	(442,330)
Instructional staff services	988,742	-	54,252	(934,490)
General administration services	405,561	-	-	(405,561)
Building administration services	686,331	5,557	1,500	(679,274)
Business services	3,288,298	350,444	281,742	(2,656,112)
Central services	59,672	-	-	(59,672)
Insurance	106,052	-	-	(106,052)
Interest and other	741,974	-	-	(741,974)
Community services	97,889	14,855	-	(83,034)
Total support services	<u>6,816,849</u>	<u>370,856</u>	<u>337,494</u>	<u>(6,108,499)</u>
Non-program transactions	522,394	-	-	(522,394)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 14,122,990</u>	<u>\$ 528,775</u>	<u>\$ 907,267</u>	<u>(12,686,948)</u>
General revenue				
Taxes				
				5,817,765
				3,133
State and federal aids not restricted to specific functions				
				7,294,910
				21,204
				809,834
				<u>13,946,846</u>
CHANGE IN NET POSITION				1,259,898
NET POSITION - BEGINNING OF YEAR				13,667,404
CHANGE IN ACCOUNTING PRINCIPLE				1,932,267
NET POSITION - END OF YEAR				<u>\$ 16,859,569</u>

The accompanying notes are an integral part of these statements.

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**FUND
FINANCIAL STATEMENTS**

SCHOOL DISTRICT OF CHILTON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	REFERENDUM	CAPITAL PROJECTS		TOTAL NONMAJOR GOVT FUNDS	TOTAL GOVT FUNDS
		APPROVED DEBT SERVICE FUND	CAPITAL EXPANSION	OTHER CAPITAL PROJECTS		
ASSETS						
Cash and investments	\$ 1,950,120	\$ 293,081	\$ 742,603	\$ 112,449	\$ 371,103	\$ 3,469,356
Receivables						
Accounts	9,031	-	-	-	453	9,484
Taxes	1,690,087	-	-	-	-	1,690,087
Due from other funds	120,538	-	-	-	-	120,538
Due from other governments	469,520	-	-	-	-	469,520
Prepaid expenses	62,260	-	-	-	-	62,260
TOTAL ASSETS	4,301,556	293,081	742,603	112,449	371,556	5,821,245
LIABILITIES						
Accounts payable	90,854	-	-	2,204,042	742	2,295,638
Accrued payroll liabilities	1,096,659	-	-	-	6,443	1,103,102
Due to other funds	37,811	-	-	-	49	37,860
Due to other governments	12,670	-	-	-	-	12,670
Due to student organization	149,411	-	-	-	-	149,411
Deposits payable	-	-	-	112,400	-	112,400
Unearned revenue	12,897	-	-	-	17,206	30,103
TOTAL LIABILITIES	1,400,302	-	-	2,316,442	24,440	3,741,184
FUND BALANCES						
Nonspendable	62,260	-	-	-	-	62,260
Restricted	-	293,081	742,603	-	55,758	1,091,442
Committed	-	-	-	-	54,818	54,818
Assigned	33,766	-	-	-	236,540	270,306
Unassigned	2,805,228	-	-	(2,203,993)	-	601,235
TOTAL FUND BALANCES	2,901,254	293,081	742,603	(2,203,993)	347,116	2,080,061
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,301,556	\$ 293,081	742,603	112,449	\$ 371,556	

Total net position reported for governmental activities in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Long-term receivables are not current financial resources and are not reported in the fund statements.	1,051,187
Prepaid other post employment benefit obligations are not current financial resources and are not reported in the fund statements.	271,243
Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:	
Governmental capital asset	\$ 41,577,259
Governmental accumulated depreciation	<u>(15,833,576)</u> 25,743,683
Some revenues are unearned in the funds because they are not available to pay current period's expenditures:	9,179
Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources are not current financial resources and are not reported in fund statements.	1,969,745
Long-term liabilities are not due in the current period and therefore are not reported in the fund statements. Long term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:	
General obligation debt	\$ (13,972,603)
Revenue on refunding	(175,750)
Accrued interest on general obligation debt	<u>(117,176)</u> (14,265,529)
Total net position - governmental activities	\$ 16,859,569

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	GENERAL FUND	REFERENDUM APPROVED DEBT SERVICE FUND	CAPITAL EXPANSION	CAPITAL PROJECTS OTHER CAPITAL PROJECTS	TOTAL NONMAJOR GOV'T FUNDS	TOTAL GOV'T FUNDS
REVENUES						
Property taxes	\$ 3,037,561	\$ 2,262,910	\$ 329,258	\$ -	\$ 191,169	\$ 5,820,898
Other local sources	185,481	188,298	3,090	49	371,757	748,675
Interdistrict sources	665,703	-	-	-	9,337	675,040
Intermediate sources	78,722	-	-	-	-	78,722
State sources	7,370,748	-	-	-	9,056	7,379,804
Federal sources	499,264	-	-	-	248,152	747,416
Other sources	48,286	-	-	-	258	48,544
TOTAL REVENUES	11,885,765	2,451,208	332,348	49	829,729	15,499,099
EXPENDITURES						
Current						
Instruction						
Regular instruction	4,748,401	-	-	-	-	4,748,401
Vocational instruction	494,785	-	-	-	-	494,785
Special instruction	750,068	-	-	-	-	750,068
Other instruction	688,149	-	-	-	23,400	711,549
Total instruction	6,681,403	-	-	-	23,400	6,704,803
Support services						
Pupil services	443,592	-	-	-	-	443,592
Instructional staff services	908,662	-	-	-	-	908,662
General administration services	378,311	-	-	-	-	378,311
Building administration services	676,617	-	-	-	-	676,617
Business services	1,973,191	-	-	-	580,996	2,554,187
Insurance	106,052	-	-	-	-	106,052
Community services	-	-	-	-	98,045	98,045
Total support services	4,486,425	-	-	-	679,041	5,165,466
Non-program transactions	522,394	-	-	-	-	522,394
Debt Service						
Principal	-	8,290,000	-	-	-	8,290,000
Interest	-	617,760	-	-	-	617,760
Total debt service	-	8,907,760	-	-	-	8,907,760
Capital outlay	137,614	-	-	2,204,042	91,391	2,433,047
TOTAL EXPENDITURES	11,827,836	8,907,760	-	2,204,042	793,832	23,733,470
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	57,929	(6,456,552)	332,348	(2,203,993)	35,897	(8,234,371)
OTHER FINANCING (USES) SOURCES						
Net transfer (to) from other funds	(22,689)	-	-	-	22,689	-
Refunding bonds issued	-	6,395,000	-	-	-	6,395,000
Premium on refunding bonds	-	191,875	-	-	-	191,875
TOTAL OTHER FINANCING (USES) SOURCES	(22,689)	6,586,875	-	-	22,689	6,586,875
NET CHANGE IN FUND BALANCE	35,240	130,323	332,348	(2,203,993)	58,586	(1,647,496)
FUND BALANCE - BEGINNING OF YEAR	2,866,014	162,758	410,255	-	288,530	3,727,557
FUND BALANCE - END OF YEAR	\$ 2,901,254	\$ 293,081	\$ 742,603	\$(2,203,993)	\$ 347,116	\$ 2,080,061

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds \$ (1,647,496)

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

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.

Capital outlay reported in fund statements	\$	2,433,047	
Less noncapitalized outlay		(45,670)	
Depreciation expense reported in the statement of activities		(974,496)	
Net book value of capital assets disposed		<u>(657)</u>	
Amount by which capital outlays are greater than depreciation in the current period			1,412,224

Unconditional promises to give are reported as revenue in the governmental funds when received. In the statement of activities, revenue is reported when the promise to give is received. The amount of unconditional promise to give received in the current year is (120,554)

The amount of a loan is reported in the governmental funds as a source of financing. In the statement of net position however, loans are not reported as a financing source, but rather constitute a long-term liability. The amount of loans reported in the governmental funds statement is: (6,395,000)

Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year. This year the accrual of these benefits increased by (5,665)

Certain revenues are unearned in the governmental funds because they are not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year. Other unearned revenue recognized in the statement of activities 5,000

Wisconsin Retirement System asset, deferred inflows of resources, and deferred outflows of resources changes: 37,478

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities. Amount of long-term debt principal payments in the current year is: 8,290,000

In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues. Amount of interest and other debt costs paid during the current period is \$ 425,885
Amount of interest and other debt costs accrued during the current period is (741,974)
Interest paid is less than interest accrued by (316,089)

Change in net position - governmental activities \$ 1,259,898

SCHOOL DISTRICT OF CHILTON
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>AGENCY FUND</u>	<u>TRUST FUND</u>	
	<u>STUDENT ACTIVITY</u>	<u>PRIVATE PURPOSE</u>	<u>EMPLOYEE BENEFIT</u>
ASSETS			
Cash	\$ 39,268	\$ 249,662	\$ 480,722
Due from other funds	-	-	37,811
TOTAL ASSETS	<u><u>39,268</u></u>	<u><u>249,662</u></u>	<u><u>518,533</u></u>
 LIABILITIES			
Due to other funds	-	-	120,489
Due to student organizations	39,268	-	-
Unearned revenue	-	-	2,259
TOTAL LIABILITIES	<u><u>39,268</u></u>	<u><u>-</u></u>	<u><u>122,748</u></u>
 NET POSITION			
Nonspendable	-	240,495	-
Net position held in trust	-	9,167	395,785
TOTAL LIABILITIES AND NET POSITION	<u><u>\$ 39,268</u></u>	<u><u>\$ 249,662</u></u>	<u><u>\$ 518,533</u></u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015

	TRUST FUND	
	PRIVATE PURPOSE	EMPLOYEE BENEFIT
ADDITIONS		
Investment income	\$ 597	\$ 7,929
Contributions	223	111,952
TOTAL ADDITIONS	820	119,881
 DEDUCTIONS		
Disbursements	8,949	111,951
Investment loss	-	7,185
TOTAL DEDUCTIONS	8,949	119,136
 CHANGE IN NET POSITION	 (8,129)	 745
NET POSITION - BEGINNING OF YEAR	257,791	395,040
NET POSITION - END OF YEAR	\$ 249,662	\$ 395,785

The accompanying notes are an integral part of these statements.

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies

The financial statements of the School District of Chilton (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America 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.

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.

The District's basic financial statements do not include any components units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion. The criterion for including a legally separate organization as a component unit is the degree of financial accountability the District has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit.

The following circumstances set forth the District's financial accountability for a legally separate organization: the District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the District. The District may be financially accountable if an organization is fiscally dependent on the District regardless of whether the organization has (1) a separately-elected governing body, (2) a governing body appointed by a higher level of government, or (3) a jointly-appointed governing body. In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

Basis Of Presentation

District-Wide Statements

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

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

The District reports the following major governmental funds:

General Fund - is used for all financial activity that is not required to be accounted for in another fund. This is the District's primary operating fund.

Referendum Approved Debt Service Fund - is used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest.

Capital Expansion Fund and Other Capital Projects Fund - are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The District has three fiduciary funds which account for assets held as an agent for various student organizations, an employee benefit trust and a private purpose trust.

Measurement Focus and Basis of Accounting

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies - Continued

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues.

Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Cash and Investments - The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts unless regulations require separate investment accounts, such as the debt service fund.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average investment balances.

Property Tax Levy - Under Wisconsin law, personal property taxes and first and second installment real estate taxes are collected by municipal treasurers who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. Third installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, town, village, and school districts before retaining any for county purposes. Taxes collected by the township are made in two installments, the first by the town, and the second by the county treasurer.

The District's property taxes are levied on or before November 1 on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or two or more installments with the first installment payable the subsequent January 31, and a final payment no later than the following July 31. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15, and by the 20th each subsequent month thereafter. On or before August 20, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real estate property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2014 tax levy is used to finance operations of the District's fiscal year ended June 30, 2015. All property taxes are considered due on January 1, when an enforceable lien may be assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30 and are available to pay current liabilities.

Accounts Receivable - Accounts receivable are recorded at gross amounts 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.

Prepaid Items - Prepaid items represent payments made by the District for which benefits extend beyond June 30.

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies - Continued

A nonspendable fund balance has been recognized for these non-liquid assets (prepaid items) to signify that a portion of fund balance is not available for other subsequent expenditures.

Due To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. The amounts reported on the statement of net position for receivable/payable from external parties represents amount due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenues and expenses. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

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

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$1,000	Straight-line	25-50 years
Land improvements	\$1,000	Straight-line	20 years
Furniture and equipment	\$1,000	Straight-line	5-20 years
Computer and related technology	\$1,000	Straight-line	5 years

Debt Premiums and Discounts - In the government-wide financial statements, debt premiums and discounts are amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Vested Employee Benefits

Compensated Absences - The District's vacation and sick pay policy does not allow accumulated vacation pay benefits or accumulated sick pay benefits to vest. Unused accumulated benefits are forfeited upon retirement or termination of employment.

Retirement Plans - District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when paid.

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies - Continued

Post-Employment Benefits - The District provides varying amounts of payment of health insurance to retired employees depending on age and years of experience. An estimate of the future benefits is recognized as a liability in the statement of assets.

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

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has one item that qualifies for reporting in this category. It is the Wisconsin Retirement System pension reported in the government-wide statement of net position. The Wisconsin Retirement System pension results from changes in the pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has two types of items, revenue on refunding and Wisconsin Retirement System pension, which qualify for reporting in this category. Revenue on refunding arises under the accrual basis of accounting. The revenue on refunding is reported in the statement of net position and is amortized over the shorter of the life of the refunded or refunding debt. The Wisconsin Retirement System pension results from changes in the pension plan.

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

Net Position Classifications - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications - The District classifies its fund equity as follows: 1) nonspendable fund balance consists of equity that is not in a spendable form or is legally or contractually required to be maintained intact, 2) restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation, 3) committed fund balance consists of equity constrained to specific purposes by the District itself, using its highest level of decision making

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 1 - Summary of Significant Accounting Policies - Continued

authority - Board of Education policies, 4) assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The Board of Education has authorized the District Administrator to assign fund balances through its fund balance policy and 5) unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the District's policy to record the net loss against committed fund balance, then assigned fund balance and lastly to unassigned fund balance (GASB 54 default for not having a policy). The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Changes in Accounting Principles - The District has implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date* in 2015.

NOTE 2 - Cash and Investments

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government investment pool administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of June 30, 2015, the District had the following investment:

<u>Investment</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>
State of Wisconsin Investment Pool	Less than one year	\$ <u>374</u>

Fair (Market) Value of Deposits and Investments - Deposits and investments are reported at fair value. At June 30, 2015, the fair value of the District's deposits and investments approximated original cost, therefore no fair value adjustments were necessary.

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the District's position in the Pool is the same as the value of the Pool shares. At June 30, 2015, the Pool's fair value was 100 percent of book value.

Determining Fair Value - Fair value of the District's deposits and investments are determined as follows:

- 1) Deposits and investments with stated interest rates (savings account and certificate of deposits) are stated at cost.
- 2) State of Wisconsin Local Government Investment Pool fair value is determined monthly by the Pool's investment board based on published market quotations.

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 2 - Cash and Investments - Continued

Income Allocation - Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to those which mature or may be tendered for purchase at the option of the holder within not more than 7 years of the date acquired. The District has an investment policy that does not further limit investment maturities as a means of further managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has an investment policy that does not further limit its investment choices. The State of Wisconsin Local Government Investment Pool and money market fund are not rated.

Custodial Credit Risk - Custodial credit is the risk that, in the event of a financial institution failure, the District's deposits may not be returned. The District does have a policy in place for custodial credit risk. The State of Wisconsin's Public Deposit Guarantee Fund created under Chapter 34 of the Wisconsin Statutes protects the municipality's designated public depositories against any losses of public funds up to \$400,000 subject to the total amount of the Guarantee Fund available. As of June 30, 2015, \$2,869,077 of the District's bank balance of \$3,520,077 was exposed to custodial credit risk as uninsured, pledged collateral, collateralized by U.S. Government securities held by the bank in the bank's name. There were no deposits that were uninsured and uncollateralized.

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 3 - Capital Assets

Capital asset balances and activity for the year ended June 30, 2015 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 46,510	\$ -	\$ -	\$ 46,510
Construction in progress	<u>-</u>	<u>2,204,042</u>	<u>-</u>	<u>2,204,042</u>
Total capital assets not being depreciated	<u>46,510</u>	<u>2,204,042</u>	<u>-</u>	<u>2,250,552</u>
Capital assets being depreciated:				
Land improvements	1,445,762	-	-	1,445,762
Buildings and improvements	32,351,395	-	-	32,351,395
Equipment	<u>5,349,302</u>	<u>183,335</u>	<u>(3,087)</u>	<u>5,529,550</u>
Total capital assets being depreciated	<u>39,146,459</u>	<u>183,335</u>	<u>(3,087)</u>	<u>39,326,707</u>
Less accumulated depreciation for:				
Land improvements	(893,804)	(65,946)	-	(959,750)
Buildings and improvements	(9,801,346)	(649,076)	-	(10,450,422)
Equipment	<u>(4,166,360)</u>	<u>(259,474)</u>	<u>2,430</u>	<u>(4,423,404)</u>
Total accumulated depreciation	<u>(14,861,510)</u>	<u>(974,496)</u>	<u>2,430</u>	<u>(15,833,576)</u>
Total capital assets being depreciated, net of accumulated depreciation	<u>24,284,949</u>	<u>(791,161)</u>	<u>(657)</u>	<u>23,493,131</u>
Capital assets, net of accumulated depreciation	<u>\$ 24,331,459</u>	<u>\$ 1,412,881</u>	<u>\$ (657)</u>	<u>\$ 25,743,683</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 112,606
Vocational instruction	7,134
Special education instruction	2,510
Other instruction	25,816
Instructional staff services	3,512
General administration services	4,338
Building administration services	11,692
Business services	747,216
Central services	<u>59,672</u>
Total	<u>\$ 974,496</u>

The District does not capitalize interest on general fixed asset projects.

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 4 - Long-Term Liabilities

Long-term obligations of the District are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable	\$ 15,690,000	\$ 6,395,000	\$ (8,290,000)	\$ 13,795,000	\$ 1,790,000
Premium	-	191,875	(14,272)	177,603	38,058
Total	\$ 15,690,000	\$ 6,586,875	\$ (8,304,272)	\$ 13,972,603	\$ 1,828,058

Interest cost incurred during the year totaled \$566,224 and total interest paid during the year aggregated \$617,760.

General Obligation Debt - All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The general obligation debt is expected to be repaid with general property taxes. General obligation debt at June 30, 2015 is comprised of the following individual issues:

<u>Issue Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance</u>
Bonds	2/17/15	1-2%	4/1/20	\$ 6,395,000
Bonds	11/15/10	4%	4/1/22	7,400,000
Total				\$ 13,795,000

General Obligation Debt Limit Calculation - The 2014 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$484,427,942. The legal debt limit and margin of indebtedness as of June 30, 2015, in accordance with Section 67.03(1) (b) of the Wisconsin Statutes, follows:

Debt limit (10 percent of \$484,427,942)	\$ 48,442,794
Amount available in debt service fund	347,839
Deduct long-term debt applicable to debt margin	(13,795,000)
Margin of indebtedness	\$ 34,995,633

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 4 - Long-Term Liabilities - Continued

Maturities of Long-Term Obligations - Aggregate cash flow requirements for the retirement of long-term principal and interest are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,790,000	\$ 425,785	\$ 2,215,785
2017	1,840,000	376,800	2,216,800
2018	1,890,000	328,200	2,218,200
2019	1,945,000	278,200	2,223,200
2020	2,000,000	226,500	2,226,500
2021-2022	4,330,000	257,800	4,587,800
	<u>\$13,795,000</u>	<u>\$ 1,893,285</u>	<u>\$15,688,285</u>

Current Refunding - The District issued \$6,395,000 of refunding bonds for a current refunding of \$6,580,000 of outstanding 2005 refunding bonds. The transaction resulted in an economic gain of \$551,798 and a reduction of \$633,640 in future debt service payments

NOTE 5 - Wisconsin Retirement System

General Information about the Pension Plan

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

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

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

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

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

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 5 - Wisconsin Retirement System - Continued

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

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

During the reporting period, the WRS recognized \$442,556 in contributions from the employer.

Contribution rates as of June 30, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability (asset) of (\$1,095,372) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 5 - Wisconsin Retirement System - Continued

the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was 0.04459488%, which was an increase of 0.00139619% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$420,895.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 158,795	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	530,432	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	39,262
Employer contributions subsequent to the measurement date	224,408	-
Total	\$ 913,635	\$ 39,262

\$224,408 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30	Deferred Outflows of Resources	Deferred Inflows of Resources
2016	\$ 135,568	\$ 7,289
2017	135,568	7,289
2018	135,568	7,289
2019	135,568	7,289
2020	135,568	7,289
Thereafter	\$ 11,387	\$ 2,817

Actuarial Assumptions - The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 5 - Wisconsin Retirement System - Continued

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No Post-Retirement Adjustment is Guaranteed - Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

Single Discount Rate - A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 5 - Wisconsin Retirement System - Continued

plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 3,090,234	\$ (1,095,372)	\$ (4,400,995)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

Payables to the Pension Plan - The District reported a payable of \$103,603 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

NOTE 6 - Interfund Balances and Activity

Interfund receivable and payable balances on June 30, 2015, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Cooperative Program	\$ 49
General	Employee Benefit Trust	120,489
Employee Benefit Trust	General	<u>37,811</u>
		<u>\$ 158,349</u>

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are proved or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are due within one year. For the statement of net position, interfund balances which are owed within the governmental activities are netted and eliminated.

Interfund transfers at June 30, 2015 were as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General Fund	Cooperative Program	\$ 21,689
General Fund	Long Term Capital Improvement Trust	<u>1,000</u>
		<u>\$ 26,698</u>

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 6 - Interfund Balances and Activity - Continued

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - Post Employment Benefits Other Than Pensions

Plan Description - The District, through its substantive commitment to provide other post employment benefits (OPEB), maintains a single-employer defined benefit plan to provide certain post retirement healthcare benefits to former employees who meet retirement eligibility requirements and continue retiree medical coverage for a specified period. The District is under contractual obligation to provide these healthcare benefits. Because the Plan consists solely of the District's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

Funding Policy - Premiums under the Plan for post employment healthcare benefits are funded by retirees via co-pays paid to the District in accordance with rates established by the District and from the District itself from the appropriate governmental funds on a pay-as-you-go basis. The District may make additional contributions as determined by management. For the year ended June 30, 2015, contribution rates for Plan members were zero to \$1,848 per participant per month and zero to \$4,791 from the District, depending on the type of retiree plan. Plan members receiving benefits paid \$22,180 and the District paid \$57,495 for current year premiums due.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 (or funding excess) over a period of 30 years. The following illustrates 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:

Annual required contribution	\$	113,790
Interest on net OPEB obligation		(15,231)
Adjustment to annual required contribution		19,058
Annual OPEB cost		117,617
Contributions made		(111,952)
Increase in net OPEB obligation		5,665
Net OPEB asset - beginning of year		(276,908)
Net OPEB asset - end of year	\$	(271,243)

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 7 - Post Employment Benefits Other Than Pensions - Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation - End of Year</u>
6/30/13	\$ 135,432	98.69%	\$ (285,795)
6/30/14	\$ 117,741	92.45%	\$ (276,908)
6/30/15	\$ 117,617	95.18%	\$ (271,243)

Funding Status and Funding Progress - As of July 1, 2013, the most recent actuarial valuation date, the Plan was funded in the amount of \$369,011 or 29% of the actuarial accrued liability (AAL). The AAL for benefits equaled \$1,274,169, resulting in an unfunded actuarial accrued liability (UAAL) of \$905,158. The covered payroll (annual payroll of active employees covered by the Plan) equaled \$5,643,878, and the ratio of the UAAL to the covered payroll is 16%.

Actuarial Methods and Assumptions - Actuarial valuations of the Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the Plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of unknown legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and assets.

The schedule of funding progress, presented as RSI following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The actuarial valuation, dated July 1, 2013, used the unit credit cost method. The assumptions and methods used in the valuation were: value of assets-fair market value, 5.5% investment return, 3% per annum salary increases, 10% - 5% medical healthcare cost trend rate, 4% dental healthcare cost trend rate and level dollar amortization method over 30 years with open period.

NOTE 8 - Fund Balances and Net Position

Portions of fund balances and net position are not available for current appropriation or expenditure as follows:

<u>Governmental Fund</u>	<u>Purpose</u>	<u>Amount</u>
General		
Nonspendable	Prepaid expenses	\$ 62,260
Assigned	Specific expenses	\$ 33,766

SCHOOL DISTRICT OF CHILTON
 NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
 JUNE 30, 2015

NOTE 8 - Fund Balances and Net Position - Continued

Non-Referendum debt service			
Restricted	Principal and interest	\$	54,758
Referendum debt service			
Restricted	DPI regulation	\$	293,081
Capital expansion			
Restricted	DPI regulation	\$	742,603
Long Term Capital Improvement Trust			
Restricted	Specific expenses	\$	1,000
Food service			
Assigned	Specific expenses	\$	236,540
Community service			
Committed	Specific expenses	\$	27,690
Engler Center			
Committed	Specific expenses	\$	27,128

Governmental Activities

Debt service funds			
Restricted	DPI regulation	\$	347,839
Capital expansion			
Restricted	DPI regulation	\$	743,603

Deficits

The following individual funds had deficits at June 30, 2015

Other Capital Projects	\$ 2,203,993
------------------------	--------------

The District has adopted a minimum fund balance policy in the amount of 20 - 25% of general fund expenditures be maintained for working capital purposes.

NOTE 9 - Risk Management

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health and accident claims; and natural disasters. For all risks of loss, the District's policy is to purchase commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three years and there has been no significant reduction in insurance coverage from coverage in the prior year.

NOTE 10 - Commitments and Contingencies

The District has a service agreement with Cooperative Education Service Agency No. 7 for services to be provided to the District in 2015-2016. Expected costs are \$280,998.

On June 1, 2015 the District entered into an estimated \$5,670,000 performance contract for energy efficiency upgrades to various district buildings.

The District has a transportation agreement with estimated costs for the following school years:

2015-2016	\$ 375,578
2016-2017	<u>382,329</u>
	<u>\$ 757,907</u>

SCHOOL DISTRICT OF CHILTON
NOTES TO THE BASIC FINANCIAL STATEMENTS - Continued
JUNE 30, 2015

NOTE 10 - Commitments and Contingencies - Continued

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

NOTE 11 - Limitation of School District Revenue

Wisconsin statutes limit the amount of revenue school districts may derive from general school aids and property taxes. The limitation does not apply to revenue needed for the 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 a referendum prior to August 12, 1993 and (b) a referendum on or after August 12, 1993.

NOTE 12 - Unconditional Promises to Give

Unconditional promises to give as of June 30, 2015 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	<u>185,000</u>
Total unconditional promises to give receivable	1,295,000
Less discounts to net present value at 5.5%	<u>(243,813)</u>
Net unconditional promises to give receivable	<u>\$ 1,051,187</u>

NOTE 13 - Change in Accounting Principles

The change in accounting principles adjustment of \$1,932,267 on the statement of activities is due to the adoption of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

NOTE 14 - Subsequent Event

On July 13, 2015 the District issued \$5,620,000 of general obligation promissory notes for energy efficiency, remodeling, and improvement projects.

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**REQUIRED
SUPPLEMENTARY INFORMATION**

SCHOOL DISTRICT OF CHILTON
 BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
 BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGETED AMOUNTS			FINAL BUDGETED AMOUNTS			ACTUAL AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	SPECIAL			SPECIAL			SPECIAL			
	GENERAL	EDUCATION	TOTAL	GENERAL	EDUCATION	TOTAL	GENERAL	EDUCATION	TOTAL	
REVENUES										
Property taxes	\$3,136,190	\$ -	\$3,136,190	\$3,037,328	\$ -	\$3,037,328	\$3,037,561	\$ -	\$3,037,561	\$ 233
Other local sources	172,960	-	172,960	172,960	-	172,960	185,481	-	185,481	12,521
Interdistrict sources	535,500	-	535,500	535,500	-	535,500	665,703	-	665,703	130,203
Intermediate sources	31,265	10,000	41,265	31,265	10,000	41,265	29,387	49,335	78,722	37,457
State sources	7,110,977	160,000	7,270,977	7,141,650	160,000	7,301,650	7,160,147	210,601	7,370,748	69,098
Federal sources	183,336	315,580	498,916	183,336	315,580	498,916	189,427	309,837	499,264	348
Other sources	30,000	-	30,000	30,000	-	30,000	32,031	16,255	48,286	18,286
TOTAL REVENUES	11,200,228	485,580	11,685,808	11,132,039	485,580	11,617,619	11,299,737	586,028	11,885,765	268,146
EXPENDITURES										
Current										
Instruction										
Regular instruction	4,897,204	-	4,897,204	4,930,503	-	4,930,503	4,748,401	-	4,748,401	182,102
Vocational instruction	533,853	-	533,853	533,853	-	533,853	494,785	-	494,785	39,068
Special instruction	-	698,556	698,556	-	720,673	720,673	-	750,068	750,068	(29,395)
Other instruction	648,888	-	648,888	706,800	-	706,800	688,149	-	688,149	18,651
Total instruction	6,079,945	698,556	6,778,501	6,171,156	720,673	6,891,829	5,931,335	750,068	6,681,403	210,426
Support services										
Pupil services	269,481	199,584	469,065	272,702	204,144	476,846	236,988	206,604	443,592	33,254
Instructional staff services	878,635	26,465	905,100	880,729	26,465	907,194	876,536	32,126	908,662	(1,468)
General administration services	328,359	-	328,359	328,359	-	328,359	378,311	-	378,311	(49,952)
Building administration services	669,655	-	669,655	669,655	-	669,655	676,617	-	676,617	(6,962)
Business services	1,732,409	42,211	1,774,620	1,785,275	42,211	1,827,486	1,938,004	35,187	1,973,191	(145,705)
Insurance	98,829	-	98,829	98,829	-	98,829	106,052	-	106,052	(7,223)
Other support services	5,000	-	5,000	5,000	-	5,000	-	-	-	5,000
Total support services	3,982,368	268,260	4,250,628	4,040,549	272,820	4,313,369	4,212,508	273,917	4,486,425	(173,056)
Non-program transactions	347,000	120,000	467,000	347,000	120,000	467,000	374,925	147,469	522,394	(55,394)
Capital outlay	173,850	-	173,850	173,850	-	173,850	137,614	-	137,614	36,236
TOTAL EXPENDITURES	10,583,163	1,086,816	11,669,979	10,732,555	1,113,493	11,846,048	10,656,382	1,171,454	11,827,836	18,212
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	617,065	(601,236)	15,829	399,484	(627,913)	(228,429)	643,355	(585,426)	57,929	286,358
OTHER FINANCING SOURCES (USES)										
Transfer (to) / from other funds	(617,065)	601,236	(15,829)	(643,742)	627,913	(15,829)	(608,115)	585,426	(22,689)	(6,860)
TOTAL OTHER FINANCING SOURCES (USES)	(617,065)	601,236	(15,829)	(643,742)	627,913	(15,829)	(608,115)	585,426	(22,689)	(6,860)
NET CHANGE IN FUND BALANCE	-	-	-	(244,258)	-	(244,258)	35,240	-	35,240	279,498
FUND BALANCE - BEGINNING OF YEAR	2,866,014	-	2,866,014	2,866,014	-	2,866,014	2,866,014	-	2,866,014	-
FUND BALANCE - END OF YEAR	\$2,866,014	\$ -	\$2,866,014	\$2,621,756	\$ -	\$2,621,756	\$2,901,254	\$ -	\$2,901,254	\$ 279,498

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
JUNE 30, 2015

NOTE 1 - Budgetary Information - Budgets are adopted each fiscal year for all funds in accordance with Section 65.90 of the Wisconsin Statutes, using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the function level. Reported budget amounts are as originally adopted or as amended by a Board of Education resolution.

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the Board of Education.
2. 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.
3. 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.
4. Pursuant to the budget hearing, the Board of Education may make alterations to the proposed budget.
5. After 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.
6. 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.
7. Encumbrance accounting is not used.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

NOTE 2 - Excess of Actual Expenditure Over Budget - The following functions had an excess of actual expenditures over budget.

General / Special Education	Special instruction	\$ 29,395
General / Special Education	Instructional staff services	1,468
General / Special Education	General administration services	49,952
General / Special Education	Building administration services	6,962
General / Special Education	Business services	145,705
General / Special Education	Insurance	7,223
General / Special Education	Non-program transactions	55,394
General / Special Education	Transfer to other funds	6,860

SCHOOL DISTRICT OF CHILTON
SCHEDULE OF FUNDING PROGRESS - POST EMPLOYMENT HEALTHCARE
JUNE 30, 2015

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2013						
7/1/10	\$ 442,405	\$ 1,236,424	\$ 794,019	35.8%	\$ 4,815,578	16.5%
2014						
7/1/13	369,011	1,274,169	905,158	29.0%	4,316,266	21.0%
2015						
7/1/13	369,011	1,274,169	905,158	29.0%	5,643,878	16.0%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$ 131,570	\$ 133,664	101.6%
2014	113,790	108,854	95.7%
2015	113,790	111,952	98.4%

SCHOOL DISTRICT OF CHILTON
WISCONSIN RETIREMENT SYSTEM SCHEDULES
JUNE 30, 2015

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Fiscal Years *

	<u>2015</u>
Proportion of the net pension liability (asset)	0.04459488%
Proportionate share of the net pension liability (asset)	\$ (1,095,372)
Covered employee payroll	\$ 6,322,226
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-17.33%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years*

	<u>2015</u>
Contractually required contributions	\$ 442,556
Contributions in relation to the contractually required contribution	<u>(442,556)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered employee payroll	\$ 6,322,226
Contributions as a percentage of covered employee payroll	7.00%

* The amounts presented for each fiscal year were determined as of the calendar year end which occurred with the fiscal year.

The District implemented the Government Accounting Standards Board Statement No. 68 for the year ended June 30, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the 9 proceeding years.

Notes to Required Supplementary Information for the Year Ended June 30, 2015

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes of assumptions - there were no changes in the assumptions.

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

**OTHER
SUPPLEMENTARY INFORMATION**

SCHOOL DISTRICT OF CHILTON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2015

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR
	FOOD SERVICE	COMMUNITY SERVICE	ENGLER CENTER	COOPERATIVE PROGRAM	NON-REFERENDUM DEBT SERVICE	LONG TERM CAPITAL IMPROVEMENT TRUST	GOV'T FUNDS
ASSETS							
Cash and investments	\$ 255,847	\$ 31,591	\$ 27,858	\$ 49	\$ 54,758	\$ 1,000	\$ 371,103
Receivables							
Accounts	53	400	-	-	-	-	453
TOTAL ASSETS	<u>255,900</u>	<u>31,991</u>	<u>27,858</u>	<u>49</u>	<u>54,758</u>	<u>1,000</u>	<u>371,556</u>
LIABILITIES							
Accounts payable	12	-	730	-	-	-	742
Accrued payroll liabilities	2,142	4,301	-	-	-	-	6,443
Due to other funds	-	-	-	49	-	-	49
Unearned revenue	17,206	-	-	-	-	-	17,206
TOTAL LIABILITIES	<u>19,360</u>	<u>4,301</u>	<u>730</u>	<u>49</u>	<u>-</u>	<u>-</u>	<u>24,440</u>
FUND BALANCES							
Restricted	-	-	-	-	54,758	1,000	55,758
Committed	-	27,690	27,128	-	-	-	54,818
Assigned	236,540	-	-	-	-	-	236,540
TOTAL FUND BALANCES	<u>236,540</u>	<u>27,690</u>	<u>27,128</u>	<u>-</u>	<u>54,758</u>	<u>1,000</u>	<u>347,116</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 255,900</u>	<u>\$ 31,991</u>	<u>\$ 27,858</u>	<u>\$ 49</u>	<u>\$ 54,758</u>	<u>\$ 1,000</u>	<u>\$ 371,556</u>

SCHOOL DISTRICT OF CHILTON
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS						TOTAL NONMAJOR
	FOOD SERVICE	COMMUNITY SERVICE	ENGLER CENTER	COOPERATIVE PROGRAM	NON-REFERENDUM DEBT SERVICE	LONG TERM CAPITAL IMPROVEMENT TRUST	GOV'T FUNDS
REVENUES							
Property taxes	\$ -	\$ 114,829	\$26,340	\$ -	\$ 50,000	\$ -	\$ 191,169
Other local sources	351,969	12,742	2,288	-	4,758	-	371,757
Interdistrict	-	-	-	9,337	-	-	9,337
State sources	9,056	-	-	-	-	-	9,056
Federal sources	248,152	-	-	-	-	-	248,152
Other sources	258	-	-	-	-	-	258
TOTAL REVENUES	609,435	127,571	28,628	9,337	54,758	-	829,729
EXPENDITURES							
Current							
Instruction							
Other instruction	-	-	-	23,400	-	-	23,400
Support service							
Business services	568,320	5,050	-	7,626	-	-	580,996
Community services	-	96,545	1,500	-	-	-	98,045
Total support services	568,320	101,595	1,500	7,626	-	-	679,041
Capital outlay	91,391	-	-	-	-	-	91,391
TOTAL EXPENDITURES	659,711	101,595	1,500	31,026	-	-	793,832
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(50,276)	25,976	27,128	(21,689)	54,758	-	35,897
OTHER FINANCING SOURCES							
Transfer from other funds	-	-	-	21,689	-	1,000	22,689
NET CHANGE IN FUND BALANCE	(50,276)	25,976	27,128	-	54,758	1,000	58,586
FUND BALANCES - BEGINNING OF YEAR	286,816	1,714	-	-	-	-	288,530
FUND BALANCES - END OF YEAR	\$ 236,540	\$ 27,690	\$27,128	\$ -	\$ 54,758	\$ 1,000	\$ 347,116

SCHOOL DISTRICT OF CHILTON
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2015
ASSETS				
Cash and investments	\$ 34,959	\$ 120,416	\$ (116,107)	\$ 39,268
TOTAL ASSETS	34,959	120,416	(116,107)	39,268
LIABILITIES				
Accounts payable	208	23,527	(23,735)	-
Due to other funds	842	-	(842)	-
Due to student organizations Middle / High	33,909	96,889	(91,530)	39,268
TOTAL LIABILITIES	\$ 34,959	\$ 120,416	\$ (116,107)	\$ 39,268

SCHOOL DISTRICT OF CHILTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Awarding Agency Pass-Through Agency Award Description	PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL CATALOG NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED RECEIVABLE (UNEARNED REVENUE) JULY 1, 2014	REVENUES GRANTOR REIMBURSE- MENTS	EXPENDITURES	ACCRUED RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2015
U.S. DEPARTMENT OF AGRICULTURE							
Wisconsin Department of Public Instruction							
School Breakfast Program							
July 1, 2013 - June 30, 2014	None	10.553	N/A	\$ 691	\$ 691	\$ -	\$ -
July 1, 2014 - June 30, 2015	None		N/A	-	35,670	35,670	-
Food Distribution							
July 1, 2014 - June 30, 2015	None	10.555	N/A	-	35,103	35,103	-
National School Lunch Program							
July 1, 2013 - June 30, 2014	None	10.555	N/A	3,446	3,446	-	-
July 1, 2014 - June 30, 2015	None		N/A	-	177,380	177,380	-
Total Child Nutrition Cluster				<u>4,137</u>	<u>252,290</u>	<u>248,153</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE				<u>4,137</u>	<u>252,290</u>	<u>248,153</u>	<u>-</u>
U.S. DEPARTMENT OF EDUCATION							
Wisconsin Department of Public Instruction							
Title IA - Grants to Local Educational Agencies							
July 1, 2014 - June 30, 2015	15-08-1085-TIA	84.010		\$ 158,304	-	158,304	158,304
				-	158,304	158,304	-
Title II-A - Improving Teacher Quality State Grants							
July 1, 2014 - June 30, 2015	15-08-1085-TIIA-Formula	84.367		25,056	-	24,824	24,824
				-	24,824	24,824	-
Special Education - Grants to States (IDEA Part B)							
July 1, 2013 - June 30, 2014	2014-1085-730-341	84.027	N/A	35,836	35,836	-	-
July 1, 2014 - June 30, 2015	2015-1085-730-341		332,455	-	-	290,156	290,156
Special Education - Preschool Grants (IDEA Part B)							
July 1, 2013 - June 30, 2014	2014-1085-730-347	84.173	N/A	2,420	2,420	-	-
July 1, 2014 - June 30, 2015	2015-1085-730-347		9,502	-	9,502	9,502	-
Total Special Education Cluster				<u>38,256</u>	<u>47,758</u>	<u>299,658</u>	<u>290,156</u>
Cooperative Educational Service Agency No. 7							
Career and Technical Education - Basic Grants to States							
July 1, 2014 - June 30, 2015	None	84.048	N/A	-	7,701	7,701	-
Title III-A - Immigrant State Grants							
July 1, 2014 - June 30, 2015	None	84.365	N/A	-	6,771	6,771	-
TOTAL U.S. DEPARTMENT OF EDUCATION				<u>38,256</u>	<u>245,358</u>	<u>497,258</u>	<u>290,156</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Wisconsin Department of Health Services							
Medical Assistance							
July 1, 2014 - June 30, 2015	None	93.778	N/A	-	9,235	16,479	7,244
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				<u>-</u>	<u>9,235</u>	<u>16,479</u>	<u>7,244</u>
TOTAL FEDERAL AWARDS				<u>\$ 42,393</u>	<u>\$ 506,883</u>	<u>\$ 761,890</u>	<u>\$ 297,400</u>

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON
SCHEDULE OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2015

Awarding Agency Pass-Through Agency <u>Award Description</u>	STATE I.D. NUMBER	PROGRAM OR AWARD AMOUNT	ACCRUED RECEIVABLE (UNEARNED REVENUE) JULY 1, 2014	REVENUE GRANTOR/ STATE REIMBURSEMENTS	EXPENDITURES	ACCRUED RECEIVABLE (UNEARNED REVENUE) JUNE 30, 2015
Cost reimbursement Programs - Nonmajor State Programs						
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPEMENT						
Cooperative Educational Service Agency No. 7						
Youth Apprenticeship Grant	445.112					
July 1, 2013 - June 30, 2014		N/A	\$ 1,100	\$ 1,100	\$ -	\$ -
July 1, 2014 - June 30, 2015		N/A	-	1,650	1,650	-
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
Alcohol and Drug Abuse Program	255.306					
July 1, 2014 - June 30, 2015		N/A	-	-	992	992
DPI Financial Literacy School Projects	255.350					
July 1, 2014 - June 30, 2015		N/A	-	5,036	6,999	1,963
Educator Effectiveness Evaluation System	255.940					
July 1, 2014 - June 30, 2015		N/A	-	8,080	8,080	-
Career and Technical Education Incentive	255.950					
July 1, 2014 - June 30, 2015		N/A	-	7,000	7,000	-
Wrightstown Community School District						
Peer Review and Mentoring	255.301					
July 1, 2013 - June 30, 2014		N/A	6,855	6,855	-	-
July 1, 2014 - June 30, 2015		\$ 8,000	-	-	8,000	8,000
TOTAL COST REIMBURSEMENT PROGRAMS			<u>\$ 7,955</u>	<u>29,721</u>	<u>\$ 32,721</u>	<u>\$ 10,955</u>
Entitlement Programs - Major State Programs						
Special Education and School Age Parents:	255.101					
Internal District Programs		N/A		210,601		
Package Program at CESA No. 7		N/A		49,335		
Equalization Aids	255.201			6,842,472		
Per Pupil Adjustment Aid	255.945			167,100		
TOTAL MAJOR PROGRAMS				<u>7,269,508</u>		
Nonmajor State Programs						
State School Lunch Aid	255.102			5,945		
Common School Fund Library Aid	255.103			54,252		
General Transportation Aid	255.107			24,534		
School Breakfast Program	255.344			3,111		
TOTAL NONMAJOR PROGRAMS				<u>87,842</u>		
TOTAL ENTITLEMENT PROGRAMS				<u>7,357,350</u>		
WISCONSIN DEPARTMENT OF NATURAL RESOURCES						
Entitlement Program - Nonmajor State Program						
Payment in Lieu of Taxes	None	N/A		35,140		
WISCONSIN DEPARTMENT OF REVENUE						
Entitlement Program - Nonmajor State Program						
Exempt Computer Aid	None	N/A		13,578		
TOTAL STATE ASSISTANCE				<u>\$ 7,435,789</u>		

The accompanying notes are an integral part of these statements.

SCHOOL DISTRICT OF CHILTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1 - 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. 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 *State Single Audit Guidelines*. Therefore, some amounts presented in these schedules may differ from amounts presented in or used in the preparation of the financial statements.

NOTE 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedules are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable and are limited as to reimbursement.

NOTE 3 - Special Education and School Age Parents Program

2014-2015 eligible costs under the State Special Education Program are \$775,420.

NOTE 4 - Food Distribution Program

Non-monetary assistance is reported in the schedule of federal awards at the fair market value of the commodities received and used.

**SCHOOL DISTRICT OF CHILTON
CHILTON, WISCONSIN**

OTHER REPORTS



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

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School District of Chilton as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the School District of Chilton's basic financial statements and have issued our report thereon dated October 21, 2015.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, 2015-001, 2015-002, and 2015-003 described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

Compliance and Other Matters

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

School District of Chilton's Response to Findings

The School District of Chilton's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School District of Chilton's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

HAWKINS ASH CPAS, LLP

A handwritten signature in cursive script that reads "Hawkins Ash CPAs, LLP".

Manitowoc, Wisconsin
October 21, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE SINGLE AUDIT GUIDELINES

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

Report on Compliance for Each Major Federal and State Program

We have audited the School District of Chilton's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and *State Single Audit Guidelines* that could have a direct and material effect on each of the School District of Chilton's major federal and state programs for the year ended June 30, 2015. The School District of Chilton's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School District of Chilton's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and *State Single Audit Guidelines*. Those standards 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 or state program occurred. An audit includes examining, on a test basis, evidence about the School District of Chilton's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the School District of Chilton complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the School District of Chilton is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District of Chilton's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District of Chilton's internal control over compliance.

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

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

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

HAWKINS ASH CPAS, LLP



Manitowoc, Wisconsin
October 21, 2015

SCHOOL DISTRICT OF CHILTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None reported
Noncompliance material to the financial statements?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

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

Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section .510(1)? Yes No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.553 / 10.555	Child Nutrition Cluster
84.027 / 84.173	IDEA Cluster

State Assistance

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

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

Any audit findings disclosed that are required to be reported in accordance with *State Single Audit Guidelines*? Yes No

SCHOOL DISTRICT OF CHILTON
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
 JUNE 30, 2015

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program or Cluster</u>
255.101	Special Education and School Age Parents
255.201	Equalization Aid
255.945	Per Pupil Aid

Dollar threshold used to distinguish between:

Type A and Type B federal programs:	\$300,000
Type A and Type B state programs:	\$100,000

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Findings and Questioned Costs

2015-001 - Segregation of Duties

Program: District-Wide

Criteria: Segregation of accounting duties is necessary for adequate internal control.

Condition: Separation of accounting duties for adjusting journal entries, cash receipts, cash disbursements and payroll is currently limited to obtain an adequate internal control system.

Questioned Costs: Not applicable.

Context: The number of personnel limits the separation of accounting duties.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Recommendation: Management should monitor the accounting internal controls or hire additional personnel to be able to properly separate accounting duties.

Management's Response: This weakness is impractical to entirely correct due to the limited resources and personnel available to our District. We will continue to use other controls, where practical, to compensate for this limitation.

2015-002 - Preparation of Financial Statements

Program: District-Wide

Criteria: Adequate internal controls necessitate personnel to have knowledge and training which would enable them to prepare financial statements (and footnotes) in accordance with generally accepted accounting principles (GAAP).

Condition: Personnel cannot prepare GAAP basis financial statements.

Questioned Costs: Not applicable.

SCHOOL DISTRICT OF CHILTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued
JUNE 30, 2015

Context: Personnel have adequate knowledge and experience in governmental accounting and interim reporting requirements; however, their limited knowledge and lack of training limits their ability to prepare GAAP basis financial statements.

Effect: This weakness could result in the possibility of undetected errors and irregularities.

Recommendation: Obtain adequate training or continue to hire a certified public accounting (CPA) firm to prepare GAAP basis financial statements.

Management's Response: Due to the complexities involved with preparing GAAP basis financial statements, management has weighed the cost-benefit of training personnel or hiring a CPA firm. Management has concluded to hire a CPA firm.

2015-003 - Significant Audit Adjustments

Program: District-Wide

Criteria: Generally accepted accounting principles.

Condition: Significant audit adjustments were required to prevent the District's financial statements from being misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that an adjustment should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Recommendation: Improve the District's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect significant adjustments.

Management's Response: The District will incorporate financial reporting internal controls to detect significant adjustments, prevent misstated financial statements and increase the accuracy of the interim financial reports used by management.

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior Year Findings

2014-001 Segregation of Duties - Repeat

2014-002 Preparation of Financial Statements - Repeat

SCHOOL DISTRICT OF CHILTON
CORRECTIVE ACTION PLAN
JUNE 30, 2015

2015-001 - Segregation of Duties - Contact: Lisa Lau, Business Manager. Completion date: N/A. The segregation of duties weakness is impractical to completely correct due to the limited resources and staff available to our District. We will continue to use other controls, where practical, to compensate for this limitation.

2015-002 - Preparation of Financial Statements - Contact: Lisa Lau, Business Manager. Completion Date: N/A. Due to the complexities of governmental reporting in accordance with GAAP, i.e. financial statements and related disclosure reporting, District management has weighed the cost benefit of training current staff or hiring a Certified Public Accountant on staff for the purposes of preparing the external financial statements in accordance with GAAP. District management has concluded to outsource the preparation of the external financial statements and related disclosures to their certified public accounting firm, which is an acceptable practice according to *Government Auditing Standards*. District management will review and approve the externally prepared financial statements.

2015-003 - Significant Audit Adjustments - Contact: Lisa Lau, Business Manager. Completion date: June 30, 2016. The District will improve its financial reporting internal controls by reconciling accounts on a recurring basis to prevent significant audit adjustments.