

WILMOT UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2003

WILMOT UNION HIGH SCHOOL DISTRICT

P.O. BOX 8
11112 308TH AVENUE
WILMOT, WISCONSIN 53192-0008

August 22, 2003

Schenck SC
11414 West Park Place, Suite 200
Milwaukee, Wisconsin 53224

We are providing this letter in connection with your audit of the financial statements of Wilmot Union High School District as of June 30, 2003 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Wilmot Union High School District and the results of its operations in conformity with generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position and results of operations, in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of August 22, 2003, the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and account groups of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all –
 - a. Financial records and related data
 - b. Minutes of meetings of the Board of Education, or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.

5. There has been no –
 - a. Fraud involving management or employees who have significant roles in internal control.
 - b. Fraud involving others that could have a material effect on the financial statements.
6. The school district has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund equity.
7. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/ expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the school district is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
8. We are responsible for the compliance with laws, regulations, and provisions of contracts and agreements applicable to us; and we have identified, and disclosed to you, all laws and regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts.
9. There are no –
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting and amending budgets), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.

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- c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.
- 10. The school district has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 11. The school district has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 12. With respect to federal award programs –
 - a. We are responsible for complying with the requirements of laws, regulations and, the provisions for contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program.
 - b. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to reportable conditions reported in the schedule of findings and questioned costs.
 - c. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to each major federal program.
 - d. We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - e. We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.

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- f. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- g. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared, and are prepared on a basis consistent with the schedule of expenditures of federal awards.
- h. The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure to the aforementioned financial statements.

Signed

Dan J. Betz

Title

Business Manager

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Wilmot Union High School District
Wilmot, Wisconsin

We have audited the general purpose financial statements of the Wilmot Union High School District ("the District") as of and for the year ended June 30, 2003, as identified in the accompanying table of contents. These general purpose financial statements are the responsibility of the District's Board of Education and management. Our responsibility is to express an opinion on these general purpose 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the District's Board of Education and management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Wilmot Union High School District at June 30, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Wilmot Union High School District. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report August 22, 2003 on our consideration of the Wilmot Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.


Certified Public Accountants

Milwaukee, Wisconsin
August 22, 2003

WILMOT UNION HIGH SCHOOL DISTRICT

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2003

<u>ASSETS</u>	Governmental Fund Types		
	General	Special Revenue	Debt Service
Cash and investments	\$ 1,832,714	\$ -	\$ 4,981
Taxes receivable	1,580,945	-	-
Interest receivable	-	-	-
Accounts receivable	8,724	-	-
Due from other funds	18,869	51,230	-
Due from other districts	4,867	-	-
Due from other governments	116,521	26,719	-
Inventories and prepaid supplies	5,532	-	-
Fixed assets	-	-	-
Amount available in debt service fund	-	-	-
Amounts to be provided for retirement of long-term obligations	-	-	-
Total assets	\$ 3,568,172	\$ 77,949	\$ 4,981
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities</u>			
Short-term notes payable	\$ 560,000	\$ -	\$ -
Accounts payable	96,794	51,230	-
Due to other funds	51,230	18,869	-
Due to other governments	-	6,585	-
Accrued salaries and related items	11,274	1,265	-
Accrued interest payable	6,155	-	-
Due to student organizations	-	-	-
Long-term obligations	-	-	-
Total liabilities	725,453	77,949	-
<u>Fund Equity</u>			
Investment in general fixed assets	-	-	-
Fund balances:			
Reserved	78,299	-	4,981
Designated	2,764,420	-	-
Total fund equity	2,842,719	-	4,981
Total liabilities and fund equity	\$ 3,568,172	\$ 77,949	\$ 4,981

The accompanying notes are an integral part of these general purpose financial statements.

Fiduciary Fund Types Trust and Agency	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-term Obligations	2003	2002
	\$ 90,670	\$ -	\$ -	\$ 1,928,365
-	-	-	1,580,945	1,611,567
313	-	-	313	-
-	-	-	8,724	17,313
-	-	-	70,099	54,562
-	-	-	4,867	-
-	-	-	143,240	101,705
-	-	-	5,532	2,061
-	8,834,180	-	8,834,180	8,788,482
-	-	4,981	4,981	4,779
-	-	2,450,769	2,450,769	2,780,412
<u>\$ 90,983</u>	<u>\$ 8,834,180</u>	<u>\$ 2,455,750</u>	<u>\$ 15,032,015</u>	<u>\$ 15,834,723</u>
\$ -	\$ -	\$ -	\$ 560,000	\$ 1,090,000
-	-	-	148,024	58,866
-	-	-	70,099	54,562
-	-	-	6,585	47,606
-	-	-	12,539	93,670
-	-	-	6,155	17,997
45,089	-	-	45,089	53,676
-	-	2,455,750	2,455,750	2,785,191
<u>45,089</u>	<u>-</u>	<u>2,455,750</u>	<u>3,304,241</u>	<u>4,201,568</u>
-	8,834,180	-	8,834,180	8,788,482
45,894	-	-	129,174	75,758
-	-	-	2,764,420	2,780,414
<u>45,894</u>	<u>8,834,180</u>	<u>-</u>	<u>11,727,774</u>	<u>11,644,654</u>
<u>\$ 90,983</u>	<u>\$ 8,834,180</u>	<u>\$ 2,455,750</u>	<u>\$ 15,032,015</u>	<u>\$ 15,846,222</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types
June 30, 2003

	Governmental Fund Types			Fiduciary
	General	Special Revenue	Debt Service	Fund Types Expendable Trust
<u>Revenues</u>				
Local	\$ 4,792,484	\$ 257,224	\$ 209,583	\$ 30,461
Interdistrict	43,614	93,497	-	-
Intermediate	24,595	51,972	-	-
State	4,786,221	296,201	-	-
Federal	68,414	51,329	-	-
Other	54,351	-	-	-
Total revenues	<u>9,769,679</u>	<u>750,223</u>	<u>209,583</u>	<u>30,461</u>
<u>Expenditures</u>				
Instruction:				
Current	5,022,366	869,712	-	-
Capital outlay	40,838	-	-	-
Support service:				
Current	3,229,481	562,506	-	-
Capital outlay	57,897	4,089	-	-
Debt service	164,091	36,918	209,381	-
Non-program:				
Current	364,061	153,066	-	8,118
Total expenditures	<u>8,878,734</u>	<u>1,626,291</u>	<u>209,381</u>	<u>8,118</u>
Excess (deficiency) of revenues over expenditures	<u>890,945</u>	<u>(876,068)</u>	<u>202</u>	<u>22,343</u>
<u>Other financing sources (uses)</u>				
Operating transfers in	-	876,068	-	-
Capital leases	-	-	-	-
Operating transfers out	<u>(876,068)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(876,068)</u>	<u>876,068</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	14,877	-	202	22,343
<u>Fund balances</u>				
Beginning of year	<u>2,827,842</u>	<u>-</u>	<u>4,779</u>	<u>23,551</u>
End of year	<u>\$ 2,842,719</u>	<u>\$ -</u>	<u>\$ 4,981</u>	<u>\$ 45,894</u>

The accompanying notes are an integral part of these general purpose financial statements.

Total (Memorandum Only)	
2003	2002
\$ 5,289,752	\$ 5,175,034
137,111	95,682
76,567	170,406
5,082,422	4,953,594
119,743	116,365
54,351	28,958
<u>10,759,946</u>	<u>10,540,039</u>
5,892,078	5,624,617
40,838	12,811
3,791,987	3,543,584
61,986	50,763
410,390	846,972
<u>525,245</u>	<u>400,673</u>
<u>10,722,524</u>	<u>10,479,420</u>
<u>37,422</u>	<u>60,619</u>
876,068	713,836
-	30,910
<u>(876,068)</u>	<u>(713,836)</u>
<u>-</u>	<u>30,910</u>
37,422	91,529
<u>2,856,172</u>	<u>2,764,643</u>
<u>\$ 2,893,594</u>	<u>\$ 2,856,172</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances - Budget and Actual -
All Governmental Fund Types
June 30, 2003

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Revenues</u>			
Local	\$ 4,783,429	\$ 4,792,484	\$ 9,055
Interdistrict	51,560	43,614	(7,946)
Intermediate	10,000	24,595	14,595
State	4,800,861	4,786,221	(14,640)
Federal	68,489	68,414	(75)
Other	15,000	54,351	39,351
Total revenues	<u>9,729,339</u>	<u>9,769,679</u>	<u>40,340</u>
<u>Expenditures</u>			
Instruction	5,093,691	5,063,204	30,487
Support service	3,588,791	3,451,469	137,322
Non-program	360,640	364,061	(3,421)
Total expenditures	<u>9,043,122</u>	<u>8,878,734</u>	<u>164,388</u>
Excess (deficiency) of revenues over expenditures	<u>686,217</u>	<u>890,945</u>	<u>204,728</u>
<u>Other financing sources (uses)</u>			
Operating transfers in	-	-	-
Operating transfers out	(782,362)	(876,068)	(93,706)
Total other financing sources (uses)	<u>(782,362)</u>	<u>(876,068)</u>	<u>(93,706)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(96,145)	14,877	111,022
<u>Fund balances</u>			
Beginning of year	<u>2,827,842</u>	<u>2,827,842</u>	-
End of year	<u>\$ 2,731,697</u>	<u>\$ 2,842,719</u>	<u>\$ 111,022</u>

The accompanying notes are an integral part of these general purpose financial statements.

Special Revenue Fund			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 276,151	\$ 257,224	\$ (18,927)	\$ 209,408	\$ 209,583	\$ 175
8,705	93,497	84,792	-	-	-
45,500	51,972	6,472	-	-	-
308,000	296,201	(11,799)	-	-	-
54,500	51,329	(3,171)	-	-	-
-	-	-	-	-	-
<u>692,856</u>	<u>750,223</u>	<u>57,367</u>	<u>209,408</u>	<u>209,583</u>	<u>175</u>
832,593	869,712	(37,119)	-	-	-
508,601	603,513	(94,912)	209,408	209,381	27
134,024	153,066	(19,042)	-	-	-
<u>1,475,218</u>	<u>1,626,291</u>	<u>(151,073)</u>	<u>209,408</u>	<u>209,381</u>	<u>27</u>
<u>(782,362)</u>	<u>(876,068)</u>	<u>(93,706)</u>	<u>-</u>	<u>202</u>	<u>202</u>
782,362	876,068	93,706	-	-	-
-	-	-	-	-	-
<u>782,362</u>	<u>876,068</u>	<u>93,706</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	202	202
-	-	-	4,779	4,779	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,779</u>	<u>\$ 4,981</u>	<u>\$ 202</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Notes to General Purpose Financial Statements June 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wilmot Union High School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

A. REPORTING ENTITY

The Wilmot Union High School District is organized as a union high school district. The District, governed by a seven-member elected school board, operates grades nine through twelve, and is comprised of all or parts of six taxing districts.

B. BASIS OF PRESENTATION

The accounts of the District are organized on the basis of funds and account groups in conformance with the accounting system prescribed for elementary and secondary school districts by the Wisconsin Department of Public Instruction. The prescribed accounting system does not include a provision for proprietary funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of governmental funds not recorded directly in those funds.

The District has the following funds and account groups:

GOVERNMENTAL FUNDS

Governmental funds are used to account for the acquisition, use and balances of expendable financial resources and the related current liabilities except for those accounted for in fiduciary funds. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

WILMOT UNION HIGH SCHOOL DISTRICT

Notes to General Purpose Financial Statements June 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GENERAL FUND - The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds.

SPECIAL REVENUE FUNDS - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specified purposes. The District uses the following Special Revenue Funds:

- Special Projects Fund: Used to account for the Special Education Program and the State of Wisconsin Education Technology Block Grant (Teach Grant).
- Food Service Fund: Used to account for the District's food service programs.
- Package Cooperative Program Fund: Used to account for services provided on a cooperative basis with other educational agencies.

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

FIDUCIARY FUNDS

Fiduciary funds account for assets held by a district in a trustee capacity or as an agent on behalf of others.

AGENCY FUND - The Agency Fund is used to account for activities of student organizations and other assets that the District holds for others in an agency capacity. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

EXPENDABLE TRUST FUND - The Expendable Trust Fund accounts for scholarships and other donations where both the principal and interest may be spent. Expendable Trust Funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the District's general fixed assets and long-term obligations. The account groups are not "funds". The following are the District's account groups:

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GENERAL FIXED ASSETS - The general fixed asset account group is used to account for fixed assets of the District.

GENERAL LONG-TERM OBLIGATIONS - The general long-term obligation account group is used to account for unmatured general long-term debt and certain other liabilities of the District not expected to be liquidated through the use of available expendable financial resources.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

MEASUREMENT FOCUS - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental funds and expendable trust funds are presented using the flow of current financial resources measurement focus. With this measurement focus, operating statements present increases and decreases in net current assets as a measure of available spendable resources. Agency funds are custodial in nature and do not measure the results of operation or have a measurement focus.

Because of their spending measurement focus, expenditure recognition for governmental funds exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Obligation Account Group.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered available spendable resources, since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental funds and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available (susceptible to accrual). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

WILMOT UNION HIGH SCHOOL DISTRICT

Notes to General Purpose Financial Statements June 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property taxes are recognized as revenue in the period for which the taxes are levied if they are due in the current year and available to pay current liabilities. The 2002 tax levy is used to finance operations of the District's fiscal year ended June 30, 2003. All property taxes are considered due on January 1, when an enforceable lien is 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.

State general and categorical aids, federal impact aid, and other entitlements are recognized as revenue at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred.

Charges for services provided other educational agencies and private parties are recognized as revenue when services are provided. Charges for special educational services are not reduced by anticipated state special education aid entitlements.

Interest earnings on temporary investments are recognized in the fiscal period earned.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Employee services and payroll-related costs (employee health, life, disability insurance, FICA, Wisconsin Retirement System contributions, annuities) other than compensated absences, termination and other post-employment benefits are recognized in the fiscal period when incurred. The cost of capital items is recorded as an expenditure when acquired. Interest cost on temporary borrowing is recognized as an expenditure of the fiscal period incurred. Costs for educational services provided the District by other educational agencies or private organizations are recognized when incurred. Costs for special education services are not reduced by anticipated state special education aid entitlements.

Compensated absences are recognized as an expenditure when used rather than when earned by the employee. Termination and other post-employment benefits are recognized as an expenditure in the fiscal period when paid or normally paid rather than when earned by employee. Principal and interest on long-term debt is recognized when due.

D. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

E. DEPOSITS AND INVESTMENTS

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

State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the debt service fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with laws applicable to trust investments. The District's investments are reported at cost, since the investments are interest-earning contracts with remaining maturities of less than one year at a time of purchase.

F. RECEIVABLES AND PAYABLES

The aggregate District tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes 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. On or before January 15, and by the 20th of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

The current portion of lending/borrowing arrangements between funds are identified as "due to/from other funds".

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

All accounts receivable are shown 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 such allowance would not be material.

G. OTHER ASSETS

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or market. Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are consumed.

H. FIXED ASSETS

Purchases of fixed assets used in governmental fund type operations (general fixed assets) are reported as expenditures in the fund which finances the asset acquisition and are capitalized at cost in the general fixed asset account group. Assets in the general fixed asset account group are not depreciated. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date received. The cost of maintenance and repairs that do not add to the value of assets or materially extend asset lives are not capitalized.

I. LONG-TERM DEBT

The District records governmental fund long-term debt at face value as an other financing source and as a liability in the general long-term obligation account group. Debt discount and issuance cost is recorded as an expenditure of the fund receiving the proceeds. As required by state statute, premium and accrued interest received as part of the proceeds are recorded in the Debt Service Fund.

WILMOT UNION HIGH SCHOOL DISTRICT

Notes to General Purpose Financial Statements
June 30, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. OTHER OBLIGATIONS

Employees, excluding teachers, may accumulate up to five days of vacation leave at the end of any fiscal year. These days must be used within 30 days after the end of a fiscal year. The District allows limited accumulation of sick leave. Teachers and support service can accumulate up to 110 days. Upon retirement, teachers shall be paid out for accumulated sick leave days at the rate of \$20/day, support service staff with 80 or more days of accumulated sick leave shall be granted severance pay at \$5/day for 80-109 days and \$10/day for 110 days. There is no liability for unpaid accumulated sick leave since the District records the cost of sick leave only when used.

K. FUND EQUITY

Reservations of equity represent amounts that are not subject to appropriation and/or are legally segregated for a specific purpose. Designations of equity represent tentative management plans that are subject to change.

L. BUDGETARY ACCOUNTING

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 third subfunction level for all funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the school board.
- The school board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the school board may make alterations to the proposed budget.

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Once the school board (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 two-third vote of the entire school board.
- Appropriations lapse at year-end unless authorized as a carryover by the school board. The portion of fund balance representing carryover appropriations is reported as a reserved fund balance.
- Encumbrance accounting is used by the District as an extension of formal budgetary control during the year. Encumbrances outstanding at year-end (e.g., purchase orders, contracts) are shown as a reservation of fund balance.

M. TOTAL "MEMORANDUM ONLY" COLUMNS

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information. They are presented only to facilitate financial analysis. The columns do not present information that reflects financial position and results of operations in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

N. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disaster for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage.

O. COMPARATIVE DATA

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative (i.e. presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 2 CASH AND INVESTMENTS

The Debt Service Fund accounts for its transactions through a separate and distinct bank and investment account as required by State Statutes. In addition, the Agency Fund uses a separate and distinct account. All other funds share in common bank and investment accounts.

Deposits

Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$100,000 for interest bearing accounts and \$100,000 for non-interest bearing accounts. In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

At year-end, the carrying amount of the District's deposits was \$696,117 and the bank balance was \$1,041,190. Of the bank balance, \$100,000 was covered by FDIC insurance and \$400,000 was covered by the State Guarantee Fund. This left \$541,190 uninsured. No amounts have been collateralized.

At June 30, 2003, the District's investments were entirely insured, guaranteed, or collateralized with securities held by the District or by its agent in the District's name.

<u>Investments</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Investment in local government pooled investment fund	<u>\$ 1,232,178</u>	<u>\$ 1,230,510</u>

The District has shown its investment in the local government pooled investment fund as of June 30, 2003 as \$1,232,178, its cost basis. GASB 31 requires investments to be reported at fair value, which would be \$1,230,510. The difference at June 30, 2003 is not material.

Cash on deposit with financial institutions	\$ 696,117
Petty cash	70
Investment in local government pooled investment fund	<u>1,232,178</u>
Total cash and investments	<u>\$ 1,928,365</u>

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 3 DUE FROM/DUE TO OTHER FUNDS

Individual fund interfund receivable and payable balances on June 30, 2003 are as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 18,869	\$ 51,230
Special Revenue Funds:		
Food Service	-	647
Package Cooperative	51,230	-
Special Education Fund	-	18,222
Total	<u>\$ 70,099</u>	<u>\$ 70,099</u>

NOTE 4 SHORT-TERM NOTES PAYABLE

Short-term notes payable at June 30, 2003 are as follows:

Description	Issue Dates	Interest Rates (%)	Dates of Maturity	Balance 6/30/03
Tax and revenue anticipation promissory notes	11/6/02	1.7%	10/27/03	<u>\$ 560,000</u>

Interest expense on short-term notes for the year totaled \$14,815.

NOTE 5 EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following functions/subfunctions had an excess of actual expenditures over budget for the year ended June 30, 2003:

Individual Fund	Excess Expenditures
General Fund	
Non-program	\$ 3,421
Special Revenue Fund	
Instruction	37,119
Support service	94,912
Non-program	19,042

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 6 FUND BALANCES

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

<u>Fund</u>		
General Fund - Reserved for encumbrances	\$	72,767
General Fund – Reserved for inventories and prepaids		5,532
Debt Service Fund – Reserved for debt retirement		4,981
Expendable Trust Fund – Reserved for scholarships		45,894

In addition, portions of unreserved fund balances have been designated to include the District's current plans for accumulating funds for use in subsequent periods, as follows:

<u>Fund</u>		
General Fund – Designated for future cash flow needs	\$	2,764,420

NOTE 7 CHANGES IN GENERAL FIXED ASSETS

	<u>Balances 7/1/02</u>	<u>Additions</u>	<u>Removals</u>	<u>Balances 6/30/03</u>
Sites	\$ 156,725	\$ -	\$ -	\$ 156,725
Buildings	6,659,901	23,260	-	6,683,161
Equipment	1,971,856	22,438	-	1,994,294
Total	<u>\$ 8,788,482</u>	<u>\$ 45,698</u>	<u>\$ -</u>	<u>\$ 8,834,180</u>

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 8 LONG-TERM OBLIGATIONS

Long-term obligations of the District are as follows:

	<u>Balances 7/1/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances 6/30/03</u>
Bonds	\$ 2,192,000	\$ -	\$ 102,000	\$ 2,090,000
Capital leases				
Computer equipment	309,370	-	151,128	158,242
Copier	30,708	-	9,274	21,434
Copier - Konica 7075	16,693	-	3,346	13,347
Copier - Konica 7030	3,983	-	798	3,185
Controllers	6,195	-	1,707	4,488
Retired employee benefits- health	226,242	-	61,188	165,054
Total	<u>\$ 2,785,191</u>	<u>\$ -</u>	<u>\$ 329,440</u>	<u>\$ 2,455,750</u>

Total interest expense during the year aggregated \$142,138, including \$14,815 for short-term borrowing.

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2003 is comprised of the following issue:

<u>Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balances 6/30/03</u>
General Obligation Refunding Bonds	12/29/98	4.9-8.0	3/15/00-3/15/17	<u>\$2,090,000</u>

The 2002 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,413,665,894. The legal debt limit and margin of indebtedness as of June 30, 2003, in accordance with Section 67.03 of the Wisconsin Statutes follows:

Debt limit (5% of \$1,413,665,894)	\$ 70,683,295
Long term debt applicable to debt margin	\$ 2,090,000
Less amount available in debt service fund	<u>4,981</u>
Margin of indebtedness	<u>\$ 68,598,276</u>

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 8 LONG-TERM OBLIGATIONS (Continued)

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2003 follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	107,000	102,410	209,410
2005	113,000	158,640	271,640
2006	118,000	149,600	267,600
2007	124,000	140,160	264,160
2008	130,000	130,240	260,240
2009-2018	1,498,000	637,520	2,135,520
Total	<u>\$ 2,090,000</u>	<u>\$ 1,318,570</u>	<u>\$ 3,408,570</u>

See Notes 1-J and 12 for a discussion of accumulated vested employee benefits.

NOTE 9 EMPLOYEE RETIREMENT PLANS

Defined Benefit Pension Plan

All eligible District employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year (440 hours for teachers) are eligible to participate in WRS. Covered employees in the General/Teacher/Educational Support Personnel category are required by statute to contribute 5.4% of their salary (3.1% for Executives and Elected Officials, 4.0% for Protective Occupations with Social Security, and 3.0% for Protective Occupations without Social Security) to the plan. Employers may make these contributions to the plan on behalf of employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

The payroll for the District employees covered by the system for the year ended June 30, 2003 was \$5,258,768; the District's total payroll was \$5,425,740. The total required contribution for the year ended June 30, 2003 was \$486,109, which consisted of \$206,241 (3.8% of payroll from July 1, 2002 through December 31, 2002 and 4.0% of payroll from January 1, 2003 through June 30, 2003) from employer and \$279,868 (5.2% of payroll from July 1, 2002 through December 31, 2002 and 5.4% of payroll from January 1, 2003 through June 30, 2003) from employees. Total contributions for the years ending June 30, 2002 and 2001, were \$455,620 and \$471,913, respectively, equal to the required contributions for each year.

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 9 EMPLOYEE RETIREMENT PLANS (Continued)

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

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

NOTE 10 CAPITAL LEASES, AS LESSEE

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2003:

Year Ended June 30,

2004	\$	186,999
2005		19,894
2006		6,488
2007		1,485
Total minimum payments		<u>214,866</u>
Less – amount representing interest		(14,170)
Present value of net minimum lease payments	\$	<u>200,696</u>

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

NOTE 11 COMMITMENTS AND CONTINGENT LIABILITIES

Cost Reimbursement Program

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any to be immaterial.

Encumbrances Outstanding

Encumbrances for purchase orders, contracts and other commitments for expenditures are recognized by the District as a reservation of fund balance. On June 30, 2003 encumbrances outstanding were \$78,299 in the General Fund.

NOTE 12 POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In addition to the pension benefits described in Note 9, the District provides health insurance benefits for certain retired employees. The District provides these benefits according to the teacher contracts. Expenditures for these benefits are recognized on a pay-as-you-go basis. The District recognized expenditures of \$61,188 during the year. The liability for accumulated post-employment benefits is recorded in the General Long-Term Obligation Account Group.

NOTE 13 LIMITATION ON SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes, unless a higher amount has been approved by a referendum.

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

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

WILMOT UNION HIGH SCHOOL DISTRICT

**Notes to General Purpose Financial Statements
June 30, 2003**

**NOTE 14 EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-
PERIOD**

The Governmental Accounting Standards Board (GASB) recently Approved Statement Nos. 34, 37 and 38. These Statements require significant changes from the current method of financial reporting for all state and local governments in the United States. GASB Statement's Number 34 – Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, Number 37 – Basic Financial Statements and Management Discussion and Analysis for State and Local Governments: Omnibus and Number 38 – Certain Financial Note Disclosures are effective for the fiscal year beginning July 1, 2003. These Statements require retroactive application of certain accounting and reporting standards, which may restate portions of these financial statements.

WILMOT UNION HIGH SCHOOL DISTRICT

Special Revenue Funds
Combining Balance Sheet
June 30, 2003

<u>ASSETS</u>	<u>Special Projects</u>	<u>Food Service</u>	<u>Package Cooperative</u>	<u>Totals</u>
Due from other funds	\$ -	\$ -	\$ 51,230	\$ 51,230
Due from other governments	<u>25,357</u>	<u>1,362</u>	<u>-</u>	<u>26,719</u>
Total assets	<u>\$ 25,357</u>	<u>\$ 1,362</u>	<u>\$ 51,230</u>	<u>\$ 77,949</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 51,230	\$ 51,230
Due to other funds	18,222	647	-	18,869
Due to other governments	6,585	-	-	6,585
Accrued salaries and related items	<u>550</u>	<u>715</u>	<u>-</u>	<u>1,265</u>
Total liabilities	<u>25,357</u>	<u>1,362</u>	<u>51,230</u>	<u>77,949</u>
<u>Fund balances</u>				
Reserved	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 25,357</u>	<u>\$ 1,362</u>	<u>\$ 51,230</u>	<u>\$ 77,949</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Special Revenue Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 June 30, 2003

	Special Projects	Food Service	Package Cooperative	Totals
<u>Revenues</u>				
Local	\$ -	\$ 257,224	\$ -	\$ 257,224
Interdistrict	25,357	-	68,140	93,497
Intermediate	51,972	-	-	51,972
State	293,094	3,107	-	296,201
Federal	-	51,329	-	51,329
Total revenues	<u>370,423</u>	<u>311,660</u>	<u>68,140</u>	<u>750,223</u>
<u>Expenditures</u>				
Instruction:				
Current	869,712	-	-	869,712
Capital outlay	-	-	-	-
Support service:				
Current	149,330	310,395	102,781	562,506
Capital outlay	-	4,089	-	4,089
Debt service	36,918	-	-	36,918
Nonprogram:				
Current	153,066	-	-	153,066
Total expenditures	<u>1,209,026</u>	<u>314,484</u>	<u>102,781</u>	<u>1,626,291</u>
Deficiency of revenues over expenditures	(838,603)	(2,824)	(34,641)	(876,068)
<u>Other financing sources</u>				
Operating transfers in	<u>838,603</u>	<u>2,824</u>	<u>34,641</u>	<u>876,068</u>
Deficiency of revenues and other sources over expenditures and other uses	-	-	-	-
<u>Fund balances</u>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Special Revenue Funds
 Package and Cooperative Fund - Detail Schedule of Expenditures
 June 30, 2003

WESSAS Code	Function	Salaries	Employee Benefits	Purchased Services	Noncapital Objects	Capital Objects	Other	Total CESA Package	Total 66:30 Cooperative	Total Package & Cooperative Fund
221200	Curriculum Development	\$ -	\$ -	\$ 102,781	\$ -	\$ -	\$ -	\$ 102,781	\$ -	\$ 102,781
		\$ -	\$ -	\$ 102,781	\$ -	\$ -	\$ -	\$ 102,781	\$ -	\$ 102,781

WILMOT UNION HIGH SCHOOL DISTRICT

Trust and Agency Funds
 Combining Balance Sheet
 June 30, 2003

<u>ASSETS</u>	<u>Expendable Trust Fund Scholarships</u>	<u>Agency Funds</u>	<u>Totals</u>
Cash and investments	\$ 45,581	\$ 45,089	90,670
Interest receivable	313	-	313
Total assets	<u>\$ 45,894</u>	<u>\$ 45,089</u>	<u>\$ 90,983</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Due to student organizations	\$ -	\$ 45,089	\$ 45,089
Total liabilities	-	45,089	45,089
<u>Fund balances</u>			
Reserved	45,894	-	45,894
Total liabilities and fund balances	<u>\$ 45,894</u>	<u>\$ 45,089</u>	<u>\$ 90,983</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Expendable Trust Fund
June 30, 2003

	<u>Scholarships</u>
<u>Revenues</u>	
Contributions	\$ 30,068
Interest	393
	<u>30,461</u>
<u>Expenditures</u>	
Personal services	2,054
Scholarships	5,500
General supplies	564
	<u>8,118</u>
Excess of revenues over expenditures	22,343
Fund balance	
Beginning of year	<u>23,551</u>
End of year	<u>\$ 45,894</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Schedule of Changes in Assets and Liabilities -
Pupil Activity Funds
June 30, 2003

<u>ASSETS</u>	<u>Balance July 1, 2002</u>	<u>Receipts</u>	<u>Disburse- ments</u>	<u>Balance June 30, 2003</u>
Cash	<u>53,676</u>	<u>296,415</u>	<u>305,002</u>	<u>45,089</u>
Total assets	<u>\$ 53,676</u>	<u>\$ 296,415</u>	<u>\$ 305,002</u>	<u>\$ 45,089</u>
 <u>LIABILITIES</u>				
Due to student organizations Wilmot Union High School	<u>\$ 53,676</u>	<u>\$ 296,415</u>	<u>\$ 305,002</u>	<u>\$ 45,089</u>
Total liabilities	<u>\$ 53,676</u>	<u>\$ 296,415</u>	<u>\$ 305,002</u>	<u>\$ 45,089</u>

WILMOT UNION HIGH SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
June 30, 2003

Awarding Agency/Pass-Through Agency/Award Description	Federal Catalog Number	Program or Award Amount	Revenues			Expendi- tures	Accrued Receivable 6/30/03
			Accrued Receivable 7/1/02	Grantor Reimburse- ments	Local Share		
<u>U.S. Department of Education</u>							
Wisconsin Department of Public Instruction ESEA Title I Basic Grant (Chapter 1) July 1, 2002 to June 30, 2003	84.010	\$ 39,084	\$ -	\$ 39,084	\$ -	\$ 39,084	\$ -
ESEA Title II-A Quality Teachers and Principals July 1, 2002 to June 30, 2003	84.367	22,025	-	-	-	22,025	22,025
ESEA Title II-D Enhancing Education through Technology July 1, 2002 to June 30, 2003	84.318	1,103	-	-	-	1,103	1,103
ESEA Title IV-A Drug Free Schools and Communities July 1, 2001 to June 30, 2002 July 1, 2002 to June 30, 2003	84.186	3,332	3,802	3,802	-	3,332	3,332
ESEA Title V-A Innovative Programs July 1, 2002 to June 30, 2003	84.298	2,870	-	-	-	2,870	2,870
School to Work Grant (Kenosha Area Business Alliance) July 1, 2002 to June 30, 2003	TRAN-27-00		-	10,718	-	10,718	-
Carl Perkins Grant July 1, 2002 to June 30, 2003	84.048		-	13,877	-	13,877	-
COPS Grant (Community Oriented Policing Services) July 1, 2001 to June 30, 2002			16,398	16,398	-		-
Total U.S. Department of Education			20,200	83,879	-	93,009	29,330
<u>U.S. Department of Agriculture</u>							
Wisconsin Department of Public Instruction Donated Commodities July 1, 2002 to June 30, 2003	10.550		-	11,405	-	11,405	-
Food Service Aid - Lunch July 1, 2002 to June 30, 2003	10.555		430	38,992	263,154	303,078	1,362
Total U.S. Department of Agriculture			430	50,397	263,154	314,483	1,362
Total Federal Assistance			\$ 20,630	\$ 134,276	\$ 263,154	\$ 407,492	\$ 30,692

WILMOT UNION HIGH SCHOOL DISTRICT

Schedule of State Financial Assistance
June 30, 2003

Awarding Agency/Pass-Through Agency/Award Description	State I.D. Number	Accrued Receivable 7/1/02	Revenues State Reimbursements	Expenditures	Accrued Receivable 6/30/03
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION					
<u>Entitlement Programs</u>					
<u>Major state programs</u>					
Special education and school age parents: Participant in Package Program at CESA #2	255.101	\$ -	\$ 256,176	\$ 256,176	\$ -
			47,472	47,472	
Total special education aid			303,648	303,648	
Total major programs			303,648	303,648	
<u>Nonmajor state programs</u>					
Common School Fund	255.103	-	25,512	25,512	-
Drivers Education	255.104	-	19,700	19,700	-
General equalization	255.201	87,355	4,703,111	4,702,947	87,191
Pupil transportation	255.107	-	32,976	32,976	-
State Lunch	255.102	-	3,107	3,107	-
Total nonmajor programs		87,355	4,784,406	4,784,242	87,191
WISCONSIN DEPARTMENT OF REVENUE					
Exempt Computer Aid	N/A	-	4,341	4,341	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES					
Chapter 70.114 Aid	N/A	-	745	745	-
WISCONSIN DEPARTMENT OF ADMINISTRATION					
Educational and Technology Block Grant	275.110	-	36,918	36,918	-
Total State Assistance		\$ 87,355	\$ 5,130,058	\$ 5,129,894	\$ 87,191

WILMOT UNION HIGH SCHOOL DISTRICT

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
June 30, 2003

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 Wilmot Union High School and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of the *Wisconsin Public School District Audit Manual*. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

NOTE 2 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

2002-2003 eligible costs under the State Special Education Program are \$951,034.

NOTE 3 OVERSIGHT AGENCY

The Wisconsin Department of Public Instruction is the state oversight agency for the District.



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

To the Board of Education
Wilmot Union High School District
Wilmot, Wisconsin

We have audited the general purpose financial statements of Wilmot Union High School District ("District") as of and for the year ended June 30, 2003, and have issued our report thereon dated August 22, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operating of the internal control over financial reporting that, in our judgment, could adversely affect the Districts' ability to record, process, summarize and report financial data consistent with assertions of management in the general purpose financial statements.

To the Board of Education
Wilmot Union High School

Reportable conditions are described in the accompanying Summary of Audit Results as item 03-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the Summary of Audit Results is not a material weakness.

This report is intended solely for the information and use of the school board, management, and Wisconsin Department of Public Instruction and is not intended to be, and should not be, used by anyone other than these interested parties.



Milwaukee, Wisconsin
August 22, 2003



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO STATE PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE

To the Board of Education
Wilmot Union High School District
Wilmot, Wisconsin

Compliance

We have audited the compliance of the Wilmot Union High School District (the "District") with the types of compliance requirements described in *the Wisconsin Public School District Audit Manual* (WDPI), issued by the Wisconsin Department of Public Instruction, that are applicable to its state programs for the year ended June 30, 2003. Compliance with the requirements of laws, regulations, and contracts applicable to each of its state programs is the responsibility of the Wilmot Union High School District's management. Our responsibility is to express an opinion on the Wilmot Union High School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *the Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction. Those standards and the *Wisconsin Public School District Audit Manual* 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 state programs occurred. An audit includes examining, on a test basis, evidence about the Wilmot Union High School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Wilmot Union High School District's compliance with those requirements.

Wilmot Union High School District did comply with requirements regarding compliance requirements listed below that are applicable to its programs. Compliance with such requirements is necessary, in our opinion, for Wilmot Union High School District to comply with requirements applicable to that program.

To the Board of Education
Wilmot Union High School District

WDPI

- Cost
- Federal and/or other State Program funded costs
- Teacher and Teacher Aid Certification

In our opinion, Wilmot Union High School District complied, in all material respects, with the requirements referred to above that are applicable to each state program for the year ended June 30, 2003.

Internal Control Over Compliance

The management of Wilmot Union High School District is responsible for establishing and maintaining effective internal control structure over compliance with requirements of laws, regulations, and contracts applicable to state programs. In planning and performing our audit, we considered the Wilmot Union High School District's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the *Wisconsin Public School District Audit Manual*.

We noted certain matters involving the internal control over compliance and its operation that we consider being reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over compliance that, in our judgement, could adversely affect Wilmot Union High School District's ability to administer a major state program in accordance with applicable requirements of laws, regulations, and contracts. The reportable condition is described in the accompanying Summary of Audit Results as item 03-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, and contracts that would be material in relation to a state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance, would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weakness. However, we believe the reportable condition described above is not a material weakness.

To the Board of Education
Wilmot Union High School District

This report is intended solely for the information and use of the finance committee and management of the district and the Wisconsin Department of Public Instruction and is not intended to be, and should not be, used by anyone other than these interested parties.

Scheneck SC

Milwaukee, Wisconsin
August 22, 2003

WILMOT UNION HIGH SCHOOL DISTRICT

Summary of Audit Results
June 30, 2003

Section I – Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weakness identified? yes no

Reportable condition(s) identified not
considered to be material weaknesses? yes none reported

Noncompliance material to the financial
statements? yes no

State Awards

Internal control over financial reporting:
Material weakness identified? yes no

Reportable condition(s) identified not
considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with *the Wisconsin
Public School District Audit Manual*? yes no

Identification of major state program

<u>State ID Number</u>	<u>Name of State Program of Cluster</u>
255.101	Special Education and School Age Parents

Section II Financial Statement Findings

03-1 Segregation of Duties – The size of the District's office staff has prevented the separation of functions necessary to assure an adequate internal control structure. The Board should continue to be aware of this condition.