

**WILMOT UNION HIGH SCHOOL DISTRICT  
WILMOT, WISCONSIN**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2015**

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

June 30, 2015

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**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

June 30, 2015

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Wilmot Union High School District  
Wilmot, 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 Wilmot Union High School District, Wisconsin ("the District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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



## **Opinions**

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

## **Emphasis of Matter**

As discussed in Note C.8, the District implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions- An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. As discussed in Note C.7, the District increased its capitalization threshold for capital assets resulting in a decrease in net position of \$564,482 in the governmental activities. Our opinions are not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, and schedules relating to pensions and other post-employment benefits on pages 32 through 37 be presented to supplement the basic financial statements. Such information, although not 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 opinions on the basic financial statements are 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 District's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal awards and state financial assistance, as required by the *Wisconsin Public School District Audit Manual*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 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 supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Report on Summarized Financial Information**

We have previously audited the District's 2014 financial statements, and our report dated, October 21, 2014, expressed unmodified opinions on those respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants  
Green Bay, Wisconsin  
November 24, 2015

## **BASIC FINANCIAL STATEMENTS**

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Net Position  
June 30, 2015  
(With summarized financial information as of June 30, 2014)

	Governmental Activities	
	2015	2014
<b>ASSETS</b>		
Cash and investments	\$ 3,797,525	\$ 5,623,503
Receivables		
Taxes	3,930,970	3,881,814
Accounts	38,109	23,159
Due from other governments	691,650	668,659
Inventory	8,241	6,726
Capital assets		
Land	1,398,812	1,398,812
Construction in progress	-	1,359,319
Land improvements	91,033	95,460
Buildings and improvements	53,187,257	51,831,838
Machinery and equipment	1,580,302	3,166,780
Vehicles	119,519	97,174
Less: accumulated depreciation	(17,204,246)	(17,444,344)
Total Capital Assets	<u>39,172,677</u>	<u>40,505,039</u>
Other Assets		
Other post employment benefits net asset	165,485	167,371
Net pension asset	<u>1,300,730</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>49,105,387</u>	<u>50,876,271</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension plan	<u>1,171,640</u>	<u>-</u>
<b>LIABILITIES</b>		
Accounts payable	143,911	1,420,567
Accrued payroll liabilities	460,429	333,414
Due to other governments	198,007	4,792
Accrued interest payable	536,700	528,763
Long-term obligations		
Due within one year	2,462,340	2,235,790
Due in more than one year	<u>33,185,435</u>	<u>35,647,775</u>
<b>TOTAL LIABILITIES</b>	<u>36,986,822</u>	<u>40,171,101</u>
<b>NET POSITION</b>		
Net investment in capital assets	5,090,831	5,644,311
Restricted for		
Food service program	99,042	67,759
Debt service	1,226,030	1,092,320
Capital expansion	730,737	550,912
Community service programs	60,018	20,187
Pension benefits	2,472,370	-
Unrestricted	<u>3,611,177</u>	<u>3,329,681</u>
<b>TOTAL NET POSITION</b>	<u>\$ 13,290,205</u>	<u>\$ 10,705,170</u>

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



**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Activities  
For the Year Ended June 30, 2015  
(With summarized financial information for the year ended June 30, 2014)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2015	2014
<b>Governmental Activities</b>					
Instruction	\$ 8,077,639	\$ 1,180,384	\$ 1,142,348	\$ (5,754,907)	\$ (6,347,458)
Support services	8,071,505	725,985	105,255	(7,240,265)	(5,632,268)
Community services	63,125	33,268	-	(29,857)	(78,813)
Interest and fiscal charges	1,590,041	-	-	(1,590,041)	(1,819,035)
Depreciation - unallocated	1,061,344	-	-	(1,061,344)	(1,233,438)
Non-program	928,834	-	-	(928,834)	(863,352)
<b>Total Governmental Activities</b>	<b>\$ 19,792,488</b>	<b>\$ 1,939,637</b>	<b>\$ 1,247,603</b>	<b>(16,605,248)</b>	<b>(15,974,364)</b>
<b>General revenues</b>					
Property taxes, levied for general purposes				7,730,936	7,823,193
Property taxes, levied for debt service				3,929,845	3,712,157
Property taxes, levied for capital projects				179,359	216,936
Property taxes, levied for community service				99,000	99,000
State and federal aids not restricted to specific functions				5,110,574	5,235,473
Interest and investment earnings				4,684	2,910
Miscellaneous				243,452	48,653
<b>Total general revenues</b>				<b>17,297,850</b>	<b>17,138,322</b>
<b>Change in net position</b>				<b>692,602</b>	<b>1,163,958</b>
<b>Net position - beginning of year (as previously reported)</b>				<b>10,705,170</b>	<b>9,541,212</b>
<b>Cumulative effect of change in accounting principle (Note C.7)</b>				<b>(564,482)</b>	<b>-</b>
<b>Cumulative effect of change in accounting principle (Note C.8)</b>				<b>2,456,915</b>	<b>-</b>
<b>Net position - beginning of year (restated)</b>				<b>12,597,603</b>	<b>9,541,212</b>
<b>Net position - end of year</b>				<b>\$ 13,290,205</b>	<b>\$ 10,705,170</b>

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

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Balance Sheet -  
Governmental Funds  
June 30, 2015  
(With summarized financial information as of June 30, 2014)

	General	Non- Referendum Debt Service	Referendum Debt Service
<b>ASSETS</b>			
Cash and investments	\$ 2,236,417	\$ -	\$ 2,885
Receivables			
Taxes	1,991,766	73,822	1,686,023
Accounts	37,765	-	-
Due from other governments	664,855	-	-
Due from other funds	-	-	-
Inventory	8,241	-	-
<b>TOTAL ASSETS</b>	<b>\$ 4,939,044</b>	<b>\$ 73,822</b>	<b>\$ 1,688,908</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 127,671	\$ -	\$ -
Accrued payroll liabilities	460,429	-	-
Due to other governments	198,007	-	-
Due to other funds	-	-	-
<b>Total Liabilities</b>	<b>786,107</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>			
<b>Nonspendable</b>			
Inventory	8,241	-	-
<b>Restricted</b>			
Retirement of long-term debt	-	73,822	1,688,908
Food service program	-	-	-
Community service programs	-	-	-
Capital expansion	-	-	-
Energy efficiency projects	-	-	-
<b>Assigned</b>			
Private gifts and donations	-	-	-
Unassigned	4,144,696	-	-
<b>Total Fund Balances</b>	<b>4,152,937</b>	<b>73,822</b>	<b>1,688,908</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,939,044</b>	<b>\$ 73,822</b>	<b>\$ 1,688,908</b>

Capital Projects	Nonmajor Governmental	Total Governmental Funds	
		2015	2014
\$ 874,394	\$ 683,829	\$ 3,797,525	\$ 5,623,503
-	179,359	3,930,970	3,881,814
-	344	38,109	23,159
-	26,795	691,650	668,659
-	-	-	18,895
-	-	8,241	6,726
<u>\$ 874,394</u>	<u>\$ 890,327</u>	<u>\$ 8,466,495</u>	<u>\$ 10,222,756</u>

\$ 16,240	\$ -	\$ 143,911	\$ 1,420,567
-	-	460,429	333,414
-	-	198,007	4,792
-	-	-	18,895
<u>16,240</u>	<u>-</u>	<u>802,347</u>	<u>1,777,668</u>

-	-	8,241	6,726
-	-	1,762,730	1,621,083
-	99,042	99,042	67,759
-	60,018	60,018	20,187
-	730,737	730,737	550,912
858,154	-	858,154	2,253,856
-	530	530	80
-	-	4,144,696	3,924,485
<u>858,154</u>	<u>890,327</u>	<u>7,664,148</u>	<u>8,445,088</u>
<u>\$ 874,394</u>	<u>\$ 890,327</u>	<u>\$ 8,466,495</u>	<u>\$ 10,222,756</u>

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Balance Sheet -  
Governmental Funds (Continued)  
June 30, 2015  
(With summarized financial information as of June 30, 2014)

<u>Reconciliation to Statement of Net Position</u>	2015	2014
Fund balance, as shown above	\$ 7,664,148	\$ 8,445,088
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	39,172,677	40,505,039
The District's proportionate share of the Wisconsin Retirement System pension plan is not an available financial resource; therefore, it is not reported in the fund financial statements:		
Net pension asset	1,300,730	-
Deferred outflows of resources	1,171,640	-
Other assets held for other post-employment benefits (OPEB) are not financial resources and therefore are not reported in the funds.	165,485	167,371
Some liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation debt	(34,940,000)	(37,070,000)
Capital leases	-	(28,450)
Premium on bonds	(707,775)	(785,115)
Accrued interest on long-term obligations	(536,700)	(528,763)
Net position of governmental activities as reported on the Statement of Net Position (see page 4)	<u>\$ 13,290,205</u>	<u>\$ 10,705,170</u>

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

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended June 30, 2015  
(With summarized financial information for the year ended June 30, 2014)

	General	Non- Referendum Debt Service	Referendum Debt Service
<b>Revenues</b>			
Property taxes	\$ 7,730,936	\$ 106,200	\$ 3,823,645
Other local sources	252,733	-	394
Interdistrict sources	1,017,105	-	-
Intermediate sources	65,124	-	-
State sources	5,946,024	-	-
Federal sources	324,662	-	-
Other sources	225,971	-	-
<b>Total Revenues</b>	<b>15,562,555</b>	<b>106,200</b>	<b>3,824,039</b>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular instruction	4,541,636	-	-
Vocational instruction	1,099,097	-	-
Special education instruction	1,811,617	-	-
Other instruction	929,547	-	-
<b>Total Instruction</b>	<b>8,381,897</b>	<b>-</b>	<b>-</b>
<b>Support Services</b>			
Pupil services	940,416	-	-
Instructional staff services	760,219	-	-
General administration services	390,750	-	-
School administration services	564,537	-	-
Business services	331,161	-	-
Operation and maintenance of plant	1,674,526	-	-
Food service	-	-	-
Pupil transportation	619,063	-	-
Central services	403,970	-	-
Insurance	148,694	-	-
Other support services	167,460	-	-
<b>Total Support Services</b>	<b>6,000,796</b>	<b>-</b>	<b>-</b>
<b>Debt Service</b>			
Principal of debt	28,450	-	2,130,000
Interest and fiscal charges	852	87,257	1,571,335
<b>Total Debt Service</b>	<b>29,302</b>	<b>87,257</b>	<b>3,701,335</b>
<b>Community services</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-program</b>			
General tuition payments	571,578	-	-
Special education tuition	289,240	-	-
Other non-program transactions	68,016	-	-
<b>Total Non-program</b>	<b>928,834</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>15,340,829</b>	<b>87,257</b>	<b>3,701,335</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>221,726</b>	<b>18,943</b>	<b>122,704</b>
<b>Other Financing Sources (Uses)</b>			
Long term debt issued	-	-	-
Premium on long term debt	-	-	-
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>221,726</b>	<b>18,943</b>	<b>122,704</b>
<b>Fund Balances - Beginning of Year</b>	<b>3,931,211</b>	<b>54,879</b>	<b>1,566,204</b>
<b>Fund Balances - End of Year</b>	<b>\$ 4,152,937</b>	<b>\$ 73,822</b>	<b>\$ 1,688,908</b>

(Continued)

Capital Projects	Nonmajor Governmental	Total Governmental Funds	
		2015	2014
\$ -	\$ 278,359	\$ 11,939,140	\$ 11,851,286
1,320	432,639	687,086	622,080
-	-	1,017,105	824,938
-	265,358	330,482	342,883
-	461	5,946,485	5,924,526
-	14,159	338,821	494,642
-	-	225,971	35,230
<u>1,320</u>	<u>990,976</u>	<u>20,485,090</u>	<u>20,095,585</u>
-	-	4,541,636	4,845,739
-	-	1,099,097	1,109,535
-	-	1,811,617	1,760,608
-	-	929,547	816,772
-	-	<u>8,381,897</u>	<u>8,532,654</u>
-	-	940,416	725,304
-	-	760,219	627,632
-	-	390,750	388,862
-	-	564,537	666,380
-	-	331,161	264,288
1,397,022	29,363	3,100,911	3,074,674
-	647,099	647,099	695,296
-	-	619,063	645,288
-	-	403,970	447,578
-	-	148,694	166,361
-	-	167,460	238,743
<u>1,397,022</u>	<u>676,462</u>	<u>8,074,280</u>	<u>7,940,406</u>
-	-	2,158,450	5,511,989
-	-	1,659,444	1,791,750
-	-	<u>3,817,894</u>	<u>7,303,739</u>
-	63,125	63,125	82,925
-	-	571,578	584,459
-	-	289,240	226,650
-	-	68,016	52,243
-	-	928,834	863,352
<u>1,397,022</u>	<u>739,587</u>	<u>21,266,030</u>	<u>24,723,076</u>
<u>(1,395,702)</u>	<u>251,389</u>	<u>(780,940)</u>	<u>(4,627,491)</u>
-	-	-	7,260,000
-	-	-	148,783
-	-	-	2,999
-	-	-	(2,999)
-	-	-	<u>7,408,783</u>
<u>(1,395,702)</u>	<u>251,389</u>	<u>(780,940)</u>	<u>2,781,292</u>
<u>2,253,856</u>	<u>638,938</u>	<u>8,445,088</u>	<u>5,663,796</u>
<u>\$ 858,154</u>	<u>\$ 890,327</u>	<u>\$ 7,664,148</u>	<u>\$ 8,445,088</u>

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds (Continued)  
For the Year Ended June 30, 2015  
(With summarized financial information for the year ended June 30, 2014)

<u>Reconciliation to Statement of Activities</u>	2015	2014
Net Change in Fund Balances - Total Governmental Funds from the previous page	\$ (780,940)	\$ 2,781,292
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay reported in governmental fund statements	\$ 293,464	
Depreciation expense reported in the statement of activities	<u>(1,061,344)</u>	
Amount by which the capital outlays in current period is (greater) less than depreciation	(767,880)	208,952
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) decreased to:		
Other post-employment benefits (OPEB)	(1,886)	97,793
Changes in the net pension asset and related deferred inflows and outflows of resources as a result of employer contributions, changes in assumptions and proportionate share and the difference between the expected and actual experience of the pension plan.		
	15,455	-
The amount of the debt is reported in the governmental funds as a source of financing. In the Statement of Net Position, however, debt constitutes a long-term liability. The amount of debt reported in the governmental funds statement is:		
	-	(7,260,000)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the Statement of Net Position and does not affect the Statement of Activities. The amount of long-term debt principal payments in the current year is:		
Long term debt	2,130,000	5,485,000
Capital leases	28,450	26,989
Interest payments on outstanding debt are reported in the governmental funds as an expenditure when paid. In the statement of activities interest is reported as accrued.		
	(7,937)	(112,899)
Bond premiums are reported as an other financing source in the governmental fund statements. In the Statement of Activities, only the amortized portion of the premium is recorded. The amount of amortized bond premium reported on the Statement of Activities in the current year is:		
	<u>77,340</u>	<u>(63,169)</u>
Change in net position of governmental activities reported in the Statement of Activities (see page 5)	<u>\$ 692,602</u>	<u>\$ 1,163,958</u>

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

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Net Position -  
Fiduciary Funds  
June 30, 2015  
(With summarized financial information as of June 30, 2014)

	Private-Benefit Trust	Agency Fund	Total Fiduciary Funds	
			2015	2014
<b>ASSETS</b>				
Cash and investments	\$ 161,232	\$ 127,457	\$ 288,689	\$ 245,045
<b>LIABILITIES</b>				
Current liabilities				
Due to student organizations	-	127,457	127,457	91,019
<b>NET POSITION</b>				
Restricted for scholarships	\$ 161,232	\$ -	\$ 161,232	\$ 154,026

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



**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Changes in Net Position -  
Fiduciary Fund  
For the Year Ended June 30, 2015  
(With summarized financial information for the year ended June 30, 2014)

	Private-Benefit Trust	
	2015	2014
<b>ADDITIONS</b>		
Private donations	\$ 17,556	\$ 70,496
<b>DEDUCTIONS</b>		
Scholarships awarded	10,350	9,800
Change in Net Position	7,206	60,696
Net Position - July 1	154,026	93,330
Net Position - June 30	\$ 161,232	\$ 154,026

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

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

1. Reporting Entity

The Wilmot Union High School District is organized as a union 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 seven taxing districts.

In accordance with GAAP, the basic financial statements are required to include the District (the primary government) and any separate component units that have a significant operational or financial relationship with the District. The District has not identified any component units that are required to be included in the basic financial statements in accordance with standards established by GASB Statement No. 61.

2. District-Wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

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

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

The District reports the following major governmental funds:

**GENERAL FUND**

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

**DEBT SERVICE FUNDS**

These funds accounts for the resources accumulated and payments made for principal, interest, and related costs on long-term general obligation debt of governmental funds. The Referendum Debt Service fund accounts for transactions for the repayment of debt that were authorized by an approved referendum. The Non-referendum Debt Service Fund accounts for transactions for the repayment of debt approved by school board resolution.

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**CAPITAL PROJECTS FUND**

This fund is used to account for financial resources to be used for the acquisition or construction of major capital project facilities (other than those financed by trust funds).

Additionally, the government reports the following fund types:

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

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

**3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**4. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Fund Balance**

**a. Cash and Investments**

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**b. Accounts Receivable**

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

**c. Inventory**

Governmental fund inventory items are recorded at the lower of cost or market based on the FIFO (first-in, first-out) method using the consumption method of accounting.

Inventory of governmental fund types in the fund financial statements are offset by nonspendable fund balance to indicate that they do not represent spendable available resources.

**d. Interfund Receivables and Payables**

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

**e. Capital Assets**

Capital assets, which include property, plant, machinery and equipment, are reported in the governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

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

	Governmental Activities Years
<u>Assets</u>	
Land improvements	20 - 50
Buildings and improvements	20 - 50
Machinery and equipment	5 - 20
Vehicles	5

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has one item that qualifies for reporting in this category. The item is related to the District's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District currently does not have any items that qualify for reporting in this category.

g. Long-term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expense during the current period.

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

h. Pensions

For purposes of measuring the net pension 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.

i. Fund Equity/Net Position

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- Restricted fund balance - Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- Committed fund balance - Amounts that are constrained for specific purposes by action of the Board of Education. These constraints can only be removed or changed by the Board of Education using the same action that was used to create them.

## WILMOT UNION HIGH SCHOOL DISTRICT

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Assigned fund balance - Amounts that are constrained for specific purposes by action of District management. The Board of Education has authorized the District Administrator and the Business Manager to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.
- Unassigned fund balance - Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

#### DISTRICT-WIDE STATEMENTS

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

- Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- Restricted net position - Amount of net position that are subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets.

#### 5. Use of Estimates

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

#### 6. Summarized Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

### NOTE B - DETAILED NOTES ON ALL FUNDS

#### 1. Cash and Investments

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE B - DETAILED NOTES ON ALL FUNDS (Continued)**

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool. Investments in the private-purpose trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the District's cash and investments, including the separate accounts noted above, on June 30, 2015 as summarized below:

Petty cash	\$ 1,200
Deposits with financial institutions	723,889
Investments	<u>3,361,125</u>
	<u>\$ 4,086,214</u>

Reconciliation to the basic financial statements:

District-Wide Statement of Net Position	
Cash and investments	\$ 3,797,525
Fiduciary funds Statement of Net Position	
Private-benefit trust fund	161,232
Agency funds	<u>127,457</u>
	<u>\$ 4,086,214</u>

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

Custodial Credit Risk

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

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of time and savings deposits and \$250,000 for all interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for all time accounts, savings accounts and interest-bearing demand deposit accounts per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of June 30, 2015, all of the District's deposits and investments with financial institutions were fully insured.

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE B - DETAILED NOTES ON ALL FUNDS (Continued)**

Credit Risk

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

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	Not Rated
Wisconsin Local Government Investment Pool	\$ 3,304,160	\$ -	\$ -	\$ -	\$ 3,304,160
U.S Treasury Bond	56,965	56,965	-	-	-
	<u>\$ 3,361,125</u>	<u>\$ 56,965</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,304,160</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The investment policy of the District contains no limitations on the amount that can be invested in any one issuer.

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Local Government Investment Pool	\$ 3,304,160	\$ 3,304,160	\$ -	\$ -	\$ -
U.S Treasury Bond	56,965	-	-	-	56,965
	<u>\$ 3,361,125</u>	<u>\$ 3,304,160</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,965</u>

Investment in Wisconsin Local Government Investment Pool

The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2015, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.



**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Notes to Basic Financial Statements  
June 30, 2015

**NOTE B - DETAILED NOTES ON ALL FUNDS (Continued)**

2. Property Taxes

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes must be paid in full or in two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

Property taxes are recognized as revenue in the fiscal year levied as they are considered due as of January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment, and full receipt of the entire levy is assured within sixty days of fiscal year end, meeting the availability criteria necessary for property tax revenue recognition by accounting principles generally accepted in the United States of America.

3. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Change in Accounting Policy	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 1,398,812	\$ -	\$ -	\$ -	\$ 1,398,812
Construction in Progress	1,359,319	-	1,359,319	-	-
<b>Total capital assets, not being depreciated</b>	<b>2,758,131</b>	<b>-</b>	<b>1,359,319</b>	<b>-</b>	<b>1,398,812</b>
Capital assets, being depreciated:					
Land improvements	95,460	-	-	(4,427)	91,033
Buildings and improvements	51,831,838	1,359,319	-	(3,900)	53,187,257
Machinery and equipment	3,166,780	269,969	-	(1,856,447)	1,580,302
Vehicles	97,174	23,495	-	(1,150)	119,519
Subtotals	55,191,252	1,652,783	-	(1,865,924)	54,978,111
Less: Accumulated depreciation	17,444,344	1,061,344	-	(1,301,442)	17,204,246
<b>Total capital assets, being depreciated, net</b>	<b>37,746,908</b>	<b>591,439</b>	<b>-</b>	<b>(564,482)</b>	<b>37,773,865</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 40,505,039</b>	<b>\$ 591,439</b>	<b>\$ 1,359,319</b>	<b>\$ (564,482)</b>	<b>39,172,677</b>
Less related long-term debt outstanding					34,081,846
<b>Net investment in capital assets</b>					<b>\$ 5,090,831</b>

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

The change in accounting policy column reflects the effect of the District's change in capitalization policy which is discussed further in Note C.7.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Notes to Basic Financial Statements  
June 30, 2015

**NOTE B - DETAILED NOTES ON ALL FUNDS (Continued)**

4. Long-term Obligations

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2015:

	Outstanding 6/30/14	Issued	Retired	Outstanding 6/30/15	Due Within One Year
<b>Governmental activities:</b>					
General Obligation Debt					
Bonds	\$ 37,070,000	\$ -	\$ 2,130,000	\$ 34,940,000	\$ 2,385,000
Bond premium	785,115	-	77,340	707,775	77,340
Capital leases	28,450	-	28,450	-	-
<hr/>					
Governmental activities Long-term obligations	<u>\$ 37,883,565</u>	<u>\$ -</u>	<u>\$ 2,235,790</u>	<u>\$ 35,647,775</u>	<u>\$ 2,462,340</u>

Total interest paid during the year on long-term debt totaled \$1,658,592.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

Bonds

\$35,410,000 issued 10/15/04; \$2,130,000 to \$4,715,000 due annually through 2024; interest 3.7% to 5.25%	\$ 31,320,000
\$3,620,000 issued 6/4/14; due in a lump sum March 1, 2025, interest at 3.25% paid annually	<u>3,620,000</u>
Total Bonds	<u>\$ 34,940,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$34,940,000 on June 30, 2015 are detailed below:

Year Ended June 30,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 2,385,000	\$ 1,610,175	\$ 3,995,175
2017	2,655,000	1,484,963	4,139,963
2018	2,875,000	1,345,575	4,220,575
2019	3,135,000	1,216,200	4,351,200
2020	3,415,000	1,075,125	4,490,125
2021-2025	20,475,000	2,716,550	23,191,550
	<u>\$ 34,940,000</u>	<u>\$ 9,448,588</u>	<u>\$ 44,388,588</u>

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

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Notes to Basic Financial Statements  
June 30, 2015

**NOTE B - DETAILED NOTES ON ALL FUNDS (Continued)**

4. Long-term Obligations (continued)

Legal Margin for New Debt

The District's legal margin for creation of additional general obligation debt on June 30, 2015 was as follows:

Equalized valuation of the District		\$ 1,881,953,457
Statutory limitation percentage		<u>(x) 10%</u>
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes		188,195,346
Total outstanding general obligation debt applicable to debt limitation	\$ 34,940,000	
Less: Amounts available for financing general obligation debt		
Debt service fund <sup>(1)</sup>	<u>957,643</u>	
Net outstanding general obligation debt applicable to debt limitation		<u>33,982,357</u>
Legal Margin for New Debt		<u><u>\$ 154,212,989</u></u>

<sup>(1)</sup> Debt service funds less interest payments of \$805,088 due in 2015.

5. Minimum Fund Balance Policy

The District has a minimum fund balance policy of 18% of General Fund Operating Expenditures. The calculation is as follows:

Actual 2014-2015 General Fund (Fund 10 and 27) Operating Expenditures		\$ 15,340,829
Minimum Fund Balance % per policy		<u>18%</u>
Minimum Fund Balance Amount		<u><u>\$ 2,761,349</u></u>

For the year ended June 30, 2015, the fund balance was \$4,152,937 which greater than the minimum.

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION**

1. Pension Plan

a. 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.

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.

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

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

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

The WRS also provides death and disability benefits for employees.

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

**b. 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%

**c. 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 \$509,402 in contributions from the District.

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%

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

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

At June 30, 2015, the District reported an asset of \$455,826 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension 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 the actuarial valuation date and the measurement date. The District's proportion of the net pension 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 .05295540%, which was a decrease of .0014678% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$519,689.

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	\$ 188,565	\$ -
Net differences between projected and actual earnings on pension plan investments	629,876	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	40,601	-
Employer contributions subsequent to the measurement date	312,598	-
<b>Total</b>	<b>\$ 1,171,640</b>	<b>\$ -</b>

\$312,598 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension 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 ended December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2015	\$ 195,851	\$ -
2016	195,851	-
2017	195,851	-
2018	195,851	-
2019	75,638	-

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

e. Actuarial Assumption

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:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension 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%

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

*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 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 asset to changes in the discount rate.* The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension 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 (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
District's proportionate share of the net pension liability (asset)	\$ 3,669,582	\$ (1,300,730)	\$ (5,226,080)

*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.

f. Payable to the WRS

At June 30, 2015 the District reported a payable of \$187,169 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2015.

3. Other Post-Employment Benefits

*Plan Description* - The District provides post-employment health and dental insurance for eligible employees. Eligibility is based on age and longevity. The benefits are based on contractual agreements with employee groups. The entire costs are paid by the District and funding comes from the current operating budget. The contributions are funded on a pay-as-you-go basis. There are 10 active administrative employees and 20 retired employees in the plan. Teachers that retire after July 1, 2012 are no longer included in the plan. Support staff that retire after July 1, 2011 are no longer included in the plan.



**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

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

Component	Amount
Annual required contribution	\$ 194,551
Interest on net OPEB	(6,694)
Adjustment to annual required contribution	9,680
Annual OPEB cost (expense)	197,537
Contributions made	(195,651)
Change in net OPEB obligation	1,886
OPEB obligation (asset) - beginning of year	(167,371)
OPEB obligation (asset) - end of year	\$ (165,485)

The annual required contribution for the year was determined as part of the July 1, 2013 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 4% discount rate, and (b) projected salary increases at 3%.

*Actuarial Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized as a level dollar amount of projected unit credit. The remaining open amortization period at June 30, 2015 is 29 years.

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

Fiscal Year Ended	Annual Required Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2013	\$ 205,337	226%	\$ (69,578)
6/30/2014	200,047	147%	(167,371)
6/30/2015	194,551	101%	(165,485)

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

*Funded Status and Funding Progress* - As of July 1, 2013, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$1,998,479.

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

Actuarial Valuation Date July 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2013	\$ -	\$ 1,998,479	0.00%	\$ 1,998,479	\$ 918,890	217.49%

4. 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 disasters for which the government carries commercial insurance. The District completes an annual review of its insurance coverage to ensure adequate coverage.

5. Contingencies

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

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

6. Limitation on School District Revenues

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

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

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

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to Basic Financial Statements

June 30, 2015

**NOTE C - OTHER INFORMATION (Continued)**

7. Cumulative Effect of Change in Accounting Principle

During 2015, the District changed its capitalization policy. The individual asset threshold was increased to \$5,000. For governmental activities, this change resulted in \$1,865,924 in previously capitalized assets and related accumulated depreciation of \$1,301,442 to be expensed in the current year. Financial statements for the year ended June 30, 2014 have not been restated. The cumulative effect of this change was to decrease the June 30, 2015 net position of the governmental activities by \$564,482.

8. Cumulative Effect of Change in Accounting Principle

The District has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. Financial statements for the year ended June 30, 2014, have not been restated. The cumulative effect of this change was to increase the June 30, 2015 net position of the governmental activities by \$2,456,915.

9. Subsequent Event: Issuance of Debt

On August 27, 2015 the District issued \$28,215,000 of Taxable General Obligation Refunding Bonds, used to advance refund the issuance from October 28, 2004.

**REQUIRED SUPPLEMENTARY INFORMATION**

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund - Budgetary Basis  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 7,730,316	\$ 7,730,316	\$ 7,730,936	\$ 620
Other local sources	254,150	254,150	252,733	(1,417)
Interdistrict sources	734,135	734,135	715,477	(18,658)
State sources	5,355,275	5,355,275	5,389,697	34,422
Federal sources	182,941	182,941	161,735	(21,206)
Other sources	59,000	59,000	225,971	166,971
<b>Total Revenues</b>	<b>14,315,817</b>	<b>14,315,817</b>	<b>14,476,549</b>	<b>160,732</b>
<b>Expenditures</b>				
<b>Instruction</b>				
Regular instruction	4,604,403	4,604,403	4,541,636	62,767
Vocational instruction	1,118,131	1,118,131	1,099,097	19,034
Other instruction	902,741	902,741	929,547	(26,806)
<b>Total Instruction</b>	<b>6,625,275</b>	<b>6,625,275</b>	<b>6,570,280</b>	<b>54,995</b>
<b>Support Services</b>				
Pupil services	669,939	669,939	709,901	(39,962)
Instructional staff services	672,255	672,255	652,967	19,288
General administration services	385,651	385,651	390,750	(5,099)
School administration services	505,818	505,818	564,537	(58,719)
Business services	292,246	292,246	331,161	(38,915)
Operation and maintenance of plant	1,737,215	1,737,215	1,674,506	62,709
Pupil transportation	449,600	449,600	463,406	(13,806)
Central services	402,404	402,404	403,970	(1,566)
Insurance	150,213	150,213	148,694	1,519
Other support services	163,571	163,571	167,460	(3,889)
<b>Total Support Services</b>	<b>5,428,912</b>	<b>5,428,912</b>	<b>5,507,352</b>	<b>(78,440)</b>
<b>Debt Service</b>				
Principal of debt	28,450	28,450	28,450	-
Interest and fiscal charges	1,949	1,949	852	1,097
<b>Total Debt Service</b>	<b>30,399</b>	<b>30,399</b>	<b>29,302</b>	<b>1,097</b>
<b>Non-program</b>				
General tuition payments	595,990	595,990	571,578	24,412
Other non-program transactions	5,000	5,000	4,305	695
<b>Total non-program</b>	<b>600,990</b>	<b>600,990</b>	<b>575,883</b>	<b>25,107</b>
<b>Total Expenditures</b>	<b>12,685,576</b>	<b>12,685,576</b>	<b>12,682,817</b>	<b>2,759</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,630,241</b>	<b>1,630,241</b>	<b>1,793,732</b>	<b>163,491</b>
<b>Other Financing Uses</b>				
Transfers out	(1,630,241)	(1,630,241)	(1,572,006)	58,235
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>221,726</b>	<b>221,726</b>
<b>Fund Balance - Beginning of Year</b>	<b>3,931,211</b>	<b>3,931,211</b>	<b>3,931,211</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ 3,931,211</b>	<b>\$ 3,931,211</b>	<b>\$ 4,152,937</b>	<b>\$ 221,726</b>

See Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Special Education Special Revenue Fund - Budgetary Basis  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Interdistrict sources	\$ 293,000	\$ 293,000	\$ 301,628	\$ 8,628
Intermediate sources	64,000	64,000	65,124	1,124
State sources	542,000	542,000	556,327	14,327
Federal sources	169,047	169,047	162,927	(6,120)
<b>Total Revenues</b>	<b>1,068,047</b>	<b>1,068,047</b>	<b>1,086,006</b>	<b>17,959</b>
<b>Expenditures</b>				
Instruction				
Special education instruction	1,860,107	1,860,107	1,811,617	48,490
Support services				
Pupil services	152,107	152,107	230,515	(78,408)
Instructional staff services	147,267	147,267	107,252	40,015
Operation and maintenance of plant	-	-	20	(20)
Pupil transportation	176,550	176,550	155,657	20,893
<b>Total Support Services</b>	<b>475,924</b>	<b>475,924</b>	<b>493,444</b>	<b>(17,520)</b>
Non-program				
Special education tuition	298,047	298,047	289,240	8,807
Other non-program transactions	64,210	64,210	63,711	499
<b>Total non-program</b>	<b>362,257</b>	<b>362,257</b>	<b>352,951</b>	<b>9,306</b>
<b>Total Expenditures</b>	<b>2,698,288</b>	<b>2,698,288</b>	<b>2,658,012</b>	<b>40,276</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,630,241)</b>	<b>(1,630,241)</b>	<b>(1,572,006)</b>	<b>58,235</b>
<b>Other Financing Sources</b>				
Transfers in	1,630,241	1,630,241	1,572,006	(58,235)
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Funding Progress  
Other Post-Employment Benefit Plan  
For the Year Ended June 30, 2015

Actuarial Valuation Date July 1,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ -	\$ 5,591,967	0.00%	\$ 5,591,967	\$ 7,706,445	72.56%
2011	-	2,293,157	0.00%	2,293,157	N/A	0.00%
2013	-	1,998,479	0.00%	1,998,479	918,890	217.49%

See Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Employer Contributions  
Other Post-Employment Benefit Plan  
For the Year Ended June 30, 2015

Year Ended June 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2013	\$ 470,474	\$ 208,282	225.88%
2014	295,069	200,047	147.50%
2015	195,651	194,551	100.57%

See Notes to Required Supplementary Information.



**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Proportionate Share of the Net Pension Asset  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2015
Proportion of the net pension asset	0.0529554%
Proportionate share of the net pension asset	\$1,300,730
Covered-employee payroll	7,267,174
Plan fiduciary net position as a percentage of the total pension asset	102.74%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Contributions  
Wisconsin Retirement System  
Last 10 Fiscal Years\*

	2015
Contractually required contributions	\$ 509,402
Contributions in relation to the contractually required contributions	509,402
Contribution deficiency (excess)	-
Covered-employee payroll	7,267,174
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 that occurred within the fiscal year.

See Notes to Required Supplementary Information.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Notes to Required Supplementary Information  
For the Year Ended June 30, 2015

**NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71**

The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68* for the fiscal year ended June 30, 2015. Information for prior years is not available.

**NOTE B - CHANGE IN ACTUARIAL ASSUMPTIONS**

The District changed eligibility requirements for teachers and support staff from the July 1, 2009 actuarial valuation. Teachers retiring after July 1, 2012 are not eligible for other post-employment benefits and support staff retiring after July 1, 2011 are not eligible for other post-retirement benefits of any kind. This resulted in a significant decrease in the actuarial accrued liability of the District.

**NOTE C – WISCONSIN RETIREMENT SYSTEM**

There were no changes of benefit terms or assumptions for any participating employer in WRS.

**NOTE D - BUDGET AND BUDGETARY ACCOUNTING**

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting procedures prescribed by the Wisconsin Department of Public Instruction (DPI). The DPI requires the District to separate special education revenues and expenditures from other general fund amounts. Budgetary expenditure control is exercised at the two digit function level for the general fund and the special education fund. All other fund budgets are adopted at the fund level. Reported budget amounts are as originally adopted or as amended by Board of Education resolution.

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

- Based upon requests from District staff, District administration recommends budget proposals to the Board of Education.
- The Board of Education prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the Board of Education may make alterations to the proposed budget.
- Once the Board of Education (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire Board of Education.
- Appropriations lapse at year end unless authorized as a carryover by the Board of Education. The portion of fund balance representing carryover appropriations is reported as committed or assigned fund balance in the fund financial statements.
- Encumbrance accounting is formally used by the District.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Notes to Required Supplemental Information (Continued)  
For the Year Ended June 30, 2015

**NOTE D - BUDGETARY INFORMATION (Continued)**

The District did not have any material violation of legal or contractual provisions for the fiscal year ended June 30, 2015.

Budgetary information is derived from the annual operating budget and is presented in accordance with generally accepted accounting principles, except the District adopts a budget for the special education special revenue fund. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a GAAP general fund basis is summarized below:

	General Fund	Special Education Fund
<b>Revenues</b>		
Actual amounts (budgetary basis)	\$ 14,476,549	\$ 1,086,006
Reclassification of special education	1,086,006	(1,086,006)
<b>Total Revenues</b>	<u>15,562,555</u>	<u>-</u>
<b>Expenditures</b>		
Actual amounts (budgetary basis)	12,682,817	2,658,012
Reclassification of special education	2,658,012	(2,658,012)
<b>Total Expenditures</b>	<u>15,340,829</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>		
Actual amounts (budgetary basis)	1,793,732	(1,572,006)
Reclassification of special education	(1,572,006)	1,572,006
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>221,726</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>		
Actual amounts (budgetary basis)	(1,572,006)	1,572,006
Reclassification of special education	1,572,006	(1,572,006)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>		
Actual amounts (budgetary basis)	<u>221,726</u>	<u>-</u>
<b>Fund Balance - July 1</b>		
Actual amounts (budgetary basis)	<u>3,931,211</u>	<u>-</u>
<b>Fund Balance - June 30</b>		
Actual amounts (budgetary basis)	<u>\$ 4,152,937</u>	<u>\$ -</u>

## **SUPPLEMENTARY INFORMATION**

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Combining Balance Sheet -  
Nonmajor Governmental Funds  
June 30, 2015  
(With summarized financial information as of June 30, 2014)

	Special Revenue Funds			Capital Projects
	Special Revenue Trust	Food Service	Community Service	Capital Expansion Fund
<b>ASSETS</b>				
Cash and investments	\$ 530	\$ 71,903	\$ 60,018	\$ 551,378
Receivables				
Taxes	-	-	-	179,359
Accounts	-	344	-	-
Due from other governments	-	26,795	-	-
<b>TOTAL ASSETS</b>	<b>\$ 530</b>	<b>\$ 99,042</b>	<b>\$ 60,018</b>	<b>\$ 730,737</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances				
Restricted				
Food service programs	-	99,042	-	-
Community programs	-	-	60,018	-
Capital expansion	-	-	-	730,737
Assigned - private donations and gifts	530	-	-	-
<b>Total Fund Balances</b>	<b>530</b>	<b>99,042</b>	<b>60,018</b>	<b>730,737</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 530</b>	<b>\$ 99,042</b>	<b>\$ 60,018</b>	<b>\$ 730,737</b>

Total Nonmajor Governmental Funds	
2015	2014

\$ 683,829	\$ 613,725
179,359	299
344	-
26,795	44,000
<hr/>	
\$ 890,327	\$ 658,024
<hr/>	

\$ -	\$ 646
-	18,440
<hr/>	
-	19,086
<hr/>	

99,042	67,759
60,018	20,187
730,737	550,912
530	80
<hr/>	
890,327	638,938
<hr/>	
\$ 890,327	\$ 658,024
<hr/>	

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

(With summarized financial information for the year ended June 30, 2014)

	Special Revenue Funds			Capital Projects
	Special Revenue Trust	Food Service	Community Service	Capital Expansion Fund
<b>Revenues</b>				
Property taxes	\$ -	\$ -	\$ 99,000	\$ 179,359
Other local sources	450	398,404	33,319	466
Interdistrict sources	-	265,358	-	-
State sources	-	461	-	-
Federal sources	-	14,159	-	-
<b>Total Revenues</b>	<b>450</b>	<b>678,382</b>	<b>132,319</b>	<b>179,825</b>
<b>Expenditures</b>				
Support Services				
Operations and maintenance of plant	-	-	29,363	-
Food service	-	647,099	-	-
<b>Total Support Services</b>	<b>-</b>	<b>647,099</b>	<b>29,363</b>	<b>-</b>
Community services	-	-	63,125	-
<b>Total Expenditures</b>	<b>-</b>	<b>647,099</b>	<b>92,488</b>	<b>-</b>
<b>Excess revenues over expenditures</b>	<b>450</b>	<b>31,283</b>	<b>39,831</b>	<b>179,825</b>
<b>Other Financing Uses</b>				
Transfer out	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>450</b>	<b>31,283</b>	<b>39,831</b>	<b>179,825</b>
<b>Fund Balances - Beginning of Year</b>	<b>80</b>	<b>67,759</b>	<b>20,187</b>	<b>550,912</b>
<b>Fund Balances - End of Year</b>	<b>\$ 530</b>	<b>\$ 99,042</b>	<b>\$ 60,018</b>	<b>\$ 730,737</b>



Total Nonmajor Governmental Funds	
2015	2014

\$ 278,359	\$ 315,936
432,639	349,358
265,358	281,517
461	23,570
14,159	135,729
<u>990,976</u>	<u>1,106,110</u>

29,363	87,250
<u>647,099</u>	<u>695,296</u>
676,462	782,546
63,125	82,925
<u>739,587</u>	<u>865,471</u>

251,389	240,639
---------	---------

-	(2,999)
---	---------

251,389	237,640
---------	---------

<u>638,938</u>	<u>401,298</u>
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<u>\$ 890,327</u>	<u>\$ 638,938</u>
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**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Changes in Assets and Liabilities -  
Pupil Activity Funds  
For the Year Ended June 30, 2015

	Balance 7/1/14	Additions	Deletions	Balance 6/30/15
<b>ASSETS</b>				
Cash and investments	\$ 91,019	\$ 466,279	\$ 429,841	\$ 127,457
<b>LIABILITIES</b>				
Due to student organizations	\$ 91,019	\$ 466,279	\$ 429,841	\$ 127,457

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**

**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  
Wilmot Union High School District  
Wilmot, 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 Wilmot Union High School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Wilmot Union High School District's basic financial statements, and have issued our report thereon, which included an emphasis of matter paragraph as indicated on page 2 dated November 24, 2015.

**Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 a certain deficiency in internal control, described in the accompanying summary of auditors' results as item 2015-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

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

### **Wilmot Union High School District's Response to Finding**

Wilmot Union High School District's response to the finding identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Wilmot Union High School District'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 result of that testing, and not to provide an opinion on the effectiveness of Wilmot Union High School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wilmot Union High School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
November 24, 2015

**FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION**

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

**Report on Compliance for Each Major State Program**

We have audited Wilmot Union School District's compliance with the types of compliance requirements described in the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction, that could have a direct and material effect on each of Wilmot Union High School District's designated state major aid programs for the year ended June 30, 2015. Wilmot Union School District's designated major state aid programs are identified in the accompanying summary of auditors' results.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Wilmot Union School District's major 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 the compliance requirements of the Wisconsin Department of Public Instruction in the *Wisconsin Public School District Audit Manual*. Those standards and compliance requirements 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 the designated state major aid programs occurred. An audit includes examining, on a test basis, evidence about Wilmot Union 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 on compliance for each major state program. However, our audit does not provide a legal determination of Wilmot Union High School District's compliance.

### ***Opinion on Each Major State Program***

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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 state aid 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 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 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. We consider the deficiency in internal control over compliance described in the accompanying summary of auditors' results as item 2015-002 to be a significant deficiency.

Wilmot Union High School District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Wilmot Union High School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Wisconsin Department of Public Instruction. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants  
Green Bay, Wisconsin  
November 24, 2015



**WILMOT UNION HIGH SCHOOL**  
Wilmot, Wisconsin  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2015

Grantor Agency/ Federal Program Title	Pass-through Agency	Federal Catalog Number	(Accrued or Deferred Revenue 7/1/14)	Amount Received	Accrued or (Deferred) Revenue 6/30/15	Total Revenues	Total Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>							
<i>Child Nutrition Cluster</i>							
School Breakfast Program	DPI	10.553	\$ (1,212)	\$ 1,212	\$ -	\$ -	\$ -
School Lunch Program	DPI	10.555	(15,747)	15,747	-	-	-
School Milk Program	DPI	10.556	-	14,159	-	14,159	14,159
<i>Total Child Nutrition Cluster</i>			<u>(16,959)</u>	<u>31,118</u>	<u>-</u>	<u>14,159</u>	<u>14,159</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>(16,959)</u>	<u>31,118</u>	<u>-</u>	<u>14,159</u>	<u>14,159</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>							
<i>Title I-A Basic Grant</i>							
July 1, 2013 - June 30, 2014	DPI	84.010	(102,039)	102,039	-	-	-
July 1, 2014 - June 30, 2015			-	63,151	22,992	86,143	86,143
<i>Special Education Cluster</i>							
<i>Special Education Grants to States</i>							
High Cost Special Education Aid	DPI	84.027	-	3,478	-	3,478	3,478
CEIS Entitlement			-	-	10,000	10,000	10,000
<i>Flow-through Entitlement</i>							
July 1, 2013 - June 30, 2014	DPI		(51,516)	51,516	-	-	-
July 1, 2014 - June 30, 2015			-	108,201	51,248	159,449	159,449
<i>Total Special Education Cluster</i>			<u>(51,516)</u>	<u>163,195</u>	<u>61,248</u>	<u>172,927</u>	<u>172,927</u>
<i>Title II-A Teacher &amp; Principal Training</i>							
July 1, 2013 - June 30, 2014	DPI	84.367	(18,782)	18,782	-	-	-
July 1, 2014 - June 30, 2015			-	12,332	3,619	15,951	15,951
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<u>(172,337)</u>	<u>359,499</u>	<u>87,859</u>	<u>275,021</u>	<u>275,021</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>							
Medical Assistance- School Based Services Program	DHS	93.778	-	46,542	3,099	49,641	49,641
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ (189,296)</u>	<u>\$ 437,159</u>	<u>\$ 90,958</u>	<u>\$ 338,821</u>	<u>\$ 338,821</u>

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

See notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**WILMOT UNION HIGH SCHOOL**  
Wilmot, Wisconsin  
Schedule of State Financial Assistance  
Year Ended June 30, 2015

Program Name	Pass-Through Agency	State I.D. Number	(Accrued) or Deferred Revenue 7/1/14	Amount Received	Accrued or (Deferred) Revenue 6/30/15	Total Revenues	Total Expenditures
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**WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION**

Handicapped Pupils and School Age Parents	Direct Program	255.101	\$ -	\$ 521,483	\$ -	\$ 521,483	\$ 521,483
	Westosha Central HS		-	15,312	-	15,312	15,312
	CESA #2		-	65,124	-	65,124	65,124
			-	601,919	-	601,919	601,919
Common School Library Fund	Direct Program	255.103	-	54,949	-	54,949	54,949
General Transportation Aid							
Public and Nonpublic	Direct Program	255.107	-	35,686	-	35,686	35,686
Equalization Aids	Direct Program	255.201	(93,861)	5,104,713	89,533	5,100,385	5,100,385
High Cost Special Education Aid	Direct Program	255.210	-	34,844	-	34,844	34,844
Peer Review and Mentoring	Direct Program	255.301	(19,086)	19,086	-	-	-
School Breakfast	Direct Program	255.344	-	461	-	461	461
Educator Effectiveness Grant	Direct Program	255.940	(6,880)	13,680	-	6,800	6,800
Per Pupil Aid	Direct Program	255.945	-	167,400	-	167,400	167,400
Career and Technical Education							
Incentive Grants	Direct Program	255.950	-	7,000	-	7,000	7,000
<b>Total Wisconsin Department of Public Instruction</b>			<b>(119,827)</b>	<b>6,039,738</b>	<b>89,533</b>	<b>6,009,444</b>	<b>6,009,444</b>

**TOTAL STATE FINANCIAL ASSISTANCE** **\$ (119,827) \$ 6,039,738 \$ 89,533 \$ 6,009,444 \$ 6,009,444**

**Reconciliation to Basic Financial Statement**

State sources	\$ 5,946,485
Interdistrict sources	15,312
Intermediate sources	65,124
Less: Tax-exempt computer aid	(4,140)
Less: Other state revenues not included in schedule	(13,337)
<b>Total State Financial Assistance</b>	<b><u>\$ 6,009,444</u></b>

See notes to the Schedule of Expenditures of Federal Awards and State Financial Assistance.

**WILMOT UNION HIGH SCHOOL DISTRICT**

Wilmot, Wisconsin

Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance  
For the Year Ended June 30, 2015

**NOTE A - BASIS OF PRESENTATION**

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of Wilmot Union School District 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 basic financial statements.

**NOTE B - SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM**

The 2014-2015 eligible costs under the State Special Education Program as reported by the District are \$1,999,826.

**NOTE C - OVERSIGHT AGENCIES**

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

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Summary of Auditors' Results  
For the Year Ended June 30, 2015

**Section I - Summary of Auditors' Results**

**Basic Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Noncompliance material to basic financial statements noted?	No

**State Financial Assistance**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>Wisconsin Public School District Audit Manual</i> ?	Yes

**Identification of major state programs:**

State ID. Number	Name of State Program
255.101	Handicapped Pupils and School Age Parents
255.201	Equalization Aids
255.945	Per Pupil Adjustment Aid

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Summary of Auditors' Results (Continued)  
For the Year Ended June 30, 2015

**Section II – Financial Statement Findings**

Finding No.	Internal Control Deficiencies
-------------	-------------------------------

**2015-001      Preparation of Annual Financial Report**

**Condition:** Current District staff maintains accounting records which reflect the District's financial transactions; however, preparing the District's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The District contracts with us and our knowledge of applicable accounting principles, financial statement formats, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.

**Criteria:** The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

**Cause:** District management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

**Effect:** Without our involvement, the District may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

**Recommendation:** We recommend the District continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the District is necessary to obtain a complete and adequate understanding of the District's annual financial report.

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Summary of Auditors' Results (Continued)  
For the Year Ended June 30, 2015

**Section III - State Financial Assistance Findings and Questioned Costs**

Finding No.	Internal Control Deficiencies
-------------	-------------------------------

**2015-002      Financial Reporting for Federal and State Financial Assistance**

State ID #    All state programs.

Condition:    The District maintains financial records supporting amounts reported in the schedule of expenditures of federal awards and state financial assistance, the District contracts with Schenck to compile the data from these records and assist in the preparation of the single audit report for the District.

Criteria:      The *Wisconsin Public School District Audit Manual* requires the District to prepare appropriate financial statements, including the schedules of expenditures of federal awards and state financial assistance. Having staff with expertise in federal and state financial reporting prepare the District's single audit report is an internal control intended to prevent, detect and correct a potential misstatement in the schedules of expenditures of federal awards and state financial assistance, or accompanying notes to the schedule.

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

Effect:        The District may not be able to prevent, detect and correct a potential misstatement in schedule of expenditures of federal awards and state financial assistance.

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

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Summary of Auditors' Results (Continued)  
For the Year Ended June 30, 2015

**Section IV - Other Issues**

Does the auditors' report or the notes to the financial statement include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

\_\_\_\_\_ Yes        X   No

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *Wisconsin Public School District Audit Manual*:

Wisconsin Department of Public Instruction  
Wisconsin Department of Health Services

  X   Yes      \_\_\_\_\_ No  
  X   Yes      \_\_\_\_\_ No

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

  X   Yes      \_\_\_\_\_ No

Name and signature of shareholder

  
\_\_\_\_\_  
David L. Maccoux, CPA

Date of report

November 24, 2015

**WILMOT UNION HIGH SCHOOL DISTRICT**  
Wilmot, Wisconsin  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2015

**Status of Prior Year Audit Findings**

The findings noted in the 2014 Schedule of Findings and Questioned Costs have been reported to the proper federal and state agencies. Prior year findings 2014-001 and 2014-002 have been repeated in the current year single audit as findings 2015-001, and 2015-002. Management continues to believe the cost to hire additional staff to eliminate the control deficiencies identified as 2014-001 and 2014-002 outweighs the benefits to be received from implementation of recommendations.

**Corrective Action Plan**

**2015-001      Preparation of Annual Financial Report**

Management believes the cost of additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management will continue to review the audit report. The Business Manager has reviewed and approved the annual financial report prior to issuance.

**2015-002      Financial Reporting for Federal and State Financial Assistance**

Management concurs with the finding and has determined that the economic cost of addressing this issue outweighs the benefits at this time. Management will continue to review the single audit report. The Business Manager has reviewed and approved the annual financial report prior to issuance.

District Contact    Mr. David Betz  
for Corrective      Business Manager  
Action Plan:        BetzD@wilmoths.k12.wi.us