

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**CAMPBELLSPORT, WISCONSIN**

**FINANCIAL STATEMENTS**

**AND INDEPENDENT AUDITOR'S REPORT**

**AS OF JUNE 30, 2013**

**Draft on 9/8/2013 by Jeff**

SCHOOL DISTRICT OF CAMPBELLSPORT

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June 30, 2013

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**SCHOOL DISTRICT OF CAMPBELLSPORT**

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**ACCOUNTING WORKSHOP, SC**

CERTIFIED PUBLIC ACCOUNTANTS

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Ann Kropp, CPA, CMA  
Jeffrey Kropp, CPA

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Campbellsport ("District"), as of and for the year ended June 30, 2013, 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.

***Auditor's Responsibility***

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

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparison for the general and special education funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards 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 combining and individual nonmajor fund financial statements and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2013, 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 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.

*Accounting Workshop SC*

Accounting Workshop, SC  
September 12, 2013

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

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As management of the Campbellsport School District ("District"), we offer reader of the District's basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2013. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the District's basic financial which follow this narrative, statements.

**MEMBERS OF THE BOARD OF EDUCATION**

President	Jay Miller
Member	Paul Peters
Treasurer	Mike Weiss
Clerk	Nick Schneider
Member	Jody Bembenek
Member	Jim McCready
Vice President	Deborah Senn
District Administrator	Vacant
Business Manager	Robert Thom

**FINANCIAL HIGHLIGHTS**

Total governmental activities revenue was \$17,448,204; including \$8,443,599 of property taxes, \$8,069,453 of state and federal aids. Total governmental activities expenditures were \$16,959,806; including \$9,189,802 for direct instruction.

The District's financial status, as reflected in total net assets, increased by \$488,398.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other information supplementary to the basic financial statements is provided.

The basic financial statements consist of two kinds of statements that present different views of the District's financial activities.

- The *Statement of Net Assets* and *Statement of Activities* provide information on a district-wide basis. These statements present an aggregate view of the District's finances. District-wide statements contain useful long-term information as well as information for the just-completed fiscal year.
- The remaining statements are fund statements that focus on individual parts of the district. Fund statements generally report operations in more detail than the district-wide statements.
- The *Notes to the Financial Statements* provide further explanation of some of the information in the statements and provide additional disclosures so statement users have a complete picture of the District's financial activities and position.
- *Required Supplementary Information* further explains and supports the financial statements by including a comparison of the District's budget data for the year.

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

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**DISTRICT-WIDE STATEMENTS**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Activities reports all revenues and expenses used to support the District. The Statement Net Assets reports all assets and liabilities available to support District activities. The two district-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's overall financial position. Increases or decreases in the District's net assets are one indicator of whether its financial position is improving or deteriorating, respectively. To assess the overall financial condition of the District, additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the district-wide financial statements, the District's activities are reported as governmental activities. Most of the District's basic services are included here, such as regular and special education, transportation, support services, debt service, capital projects, food service, community programs and administration. Property taxes and state formula aid finance most of these activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds - not the District as a whole. Funds are accounting devices the District uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has two types of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on 1) how cash and other financial assets that can readily be converted to cash flow in and out and 2) the balances left at year-end that are available for funding basic Governmental funds statements provide a detailed short-term view that helps determine whether services. There are more or fewer financial resources that can be spent in the near future to finance the District's programs. Governmental funds information does not report on long-term commitments as is reported on the district-wide statements.
- Fiduciary funds - The District serves as a trustee, or fiduciary, for various student organizations. The assets of these organizations belong to the organization and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2013**

**Major Features of the District-wide and Fund Financial Statements**

**Table #1**

	-----Fund Financial Statements-----			
	District Wide Statements	Governmental	Proprietary	Fiduciary
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Activities the district operates similar to private business. <b><u>The District does not report any program for this designation.</u></b>	Assets held by the district on behalf of someone else. Student and other organizations that have funds on deposit with the district are reported here.
Required financial statements	Statement of net assets, and Statement of activities	Balance sheet, and Statement of revenues, expenditures and changes in fund balance.	Statement of net assets, and Statement of revenues, expenses and changes in net assets, and Statement of cash flows.	Statement of fiduciary net assets, and Statement of changes in fiduciary net assets.
Basis of accounting and measurement focus	Accrual accounting  Economic resources focus	Modified accrual accounting.  Current financial resources focus.	Accrual accounting.  Economic resources focus.	Accrual accounting.  Economic resources focus.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities included.	All asset and liabilities, both financial and capital; short-term and long-term.	All assets and liabilities, both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; received during or soon after expenditures when goods or services have been received and the related liability are due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions or deductions during the year, regardless of when cash is received and paid.



**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

**Table #2**

<b>Condensed Statement of Net Assets</b> (in thousands of dollars)				
	<b>2013</b>	<b>2012</b>	<b>Dollar Change</b>	<b>% Change</b>
<b>Assets</b>				
Current and Other Assets	\$ 7,512	\$ 4,335	\$ 3,177	73.3
Capital Assets	15,128	15,733	(605)	(3.8)
<b>Total Assets</b>	<b>\$ 22,640</b>	<b>\$ 20,068</b>	<b>\$ 2,572</b>	<b>12.8</b>
<b>Liabilities</b>				
Long-Term Liabilities	\$ 11,960	\$ 9,928	\$ 2,032	20.5
Other Liabilities	2,802	2,750	52	1.9
<b>Total Liabilities</b>	<b>\$ 14,762</b>	<b>\$ 12,678</b>	<b>\$ 2,084</b>	<b>16.4</b>
<b>Net Assets</b>				
Invested in Cap.				
Net of related debt	\$ 2,832	\$ 5,434	\$ (2,602)	(47.9)
Restricted	3,482	218	3,264	1,497.2
Unrestricted	1,564	1,738	(174)	(10.0)
<b>Total Net Assets</b>	<b>\$ 7,878</b>	<b>\$ 7,390</b>	<b>\$ 488</b>	<b>6.6</b>

**Statement of Net Assets:(Table #2)**

As of June 30, 2013, the District reported total assets of \$23M and total liabilities of \$15M. Net assets amount to \$8M. This includes the estimated historical cost of sites, site improvements, buildings, building improvements, furniture and equipment net of accumulated depreciation.

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

**Table #3**

<b>Changes in Net Assets from Operating Results For Governmental Activities (in thousands of dollars)</b>					
<b>Revenues: Program</b>	<b>Actual 2012-13</b>	<b>%</b>	<b>Actual 2011-12</b>	<b>%</b>	<b>% Change</b>
Charges for Services	\$ 822	4.7	\$ 752	4.3	9.3
Operating Grants & Cont.	1,681	9.6	1,919	10.9	(12.4)
<b>General</b> Property & Other Taxes	8,481	48.6	8,062	45.9	5.2
State and Federal Aid	6,426	36.9	6,789	38.7	(5.3)
Other	37	0.2	45	0.2	(17.8)
<b>Total Revenues</b>	<u>17,447</u>	100.0	<u>17,567</u>	100.0	(0.7)
<b>Expenses:</b>					
Instruction	9,190	54.2	9,399	55.7	(2.2)
Pupil & Instr. Ser.	1,537	9.1	1,373	8.1	11.9
Administration	1,332	7.9	1,288	7.6	3.4
Building and Grounds	1,891	11.2	1,883	11.2	0.4
Pupil Transportation	1,219	7.1	1,158	6.9	5.3
Other Support Services	936	5.5	847	5.0	10.5
Interest and fees	338	2.0	371	2.2	(8.9)
Food Service	516	3.0	547	3.3	(5.7)
<b>Total Expenses</b>	<u>16,959</u>	100.0	<u>16,866</u>	100.0	0.6
<b>Change in Net Assets</b>	<u>\$ 488</u>		<u>\$ 701</u>		(30.4)

Table 3 provides summarized operating results and their impact on net assets.

The District relies primarily on state and federal aids not restricted to specific functions (36.9%) and property taxes (48.6%) to fund governmental activities. These two funding sources make up 85% of the total revenues.

Table 4 presents the cost of the eight major district activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost reflects the financial burden that was placed on the District's taxpayers by each of these functions.

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

**Table #4**

<b>Net Cost of Governmental Activities</b>				
(in thousands of dollars)				
	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Instruction</b>	9,190	9,399	7,492	7,514
<b>Pupil &amp; Instr. Services</b>	1,537	1,373	1,348	1,285
<b>Administration</b>	1,332	1,288	1,332	1,232
<b>Building and Grounds</b>	1,891	1,883	1,888	1,857
<b>Pupil Transportation</b>	1,219	1,158	1,144	1,079
<b>Other Support Services</b>	936	847	936	847
<b>Interest and Fees</b>	338	371	338	371
<b>Food Service</b>	516	547	(22)	10
<b>Total</b>	<u>16,959</u>	<u>16,866</u>	<u>14,456</u>	<u>14,195</u>

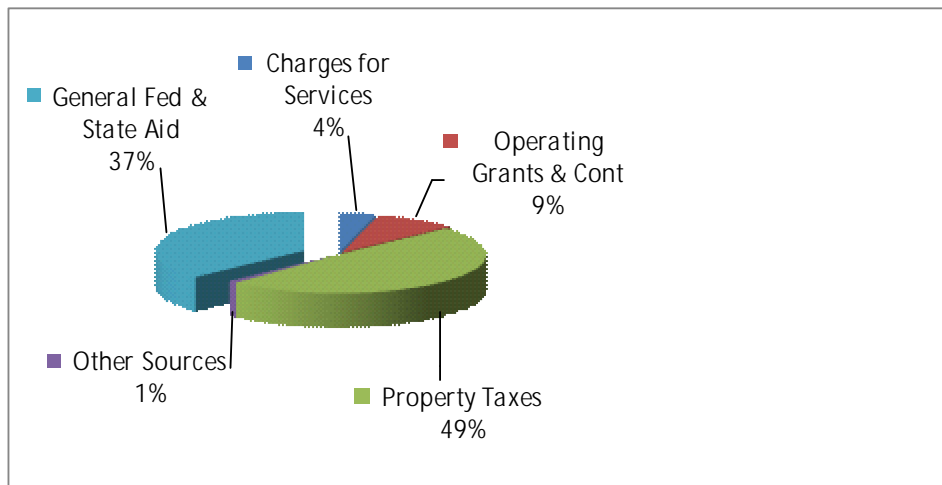
\* The cost of all governmental activities this year was \$16,959,806. Individuals who directly participated or benefitted from a program offering paid for \$822,190 of the costs. Federal and state governments subsidized certain programs with grants and contributions of \$1,681,142. The net cost of governmental activities, \$14,456,474, was financed by general revenues of the District.

The composition of governmental revenues by source and expenditures by type are illustrated below.

**Chart #1**

**This chart illustrates the breakout of revenues by source.**

**Revenue by Source - FY 12-13**

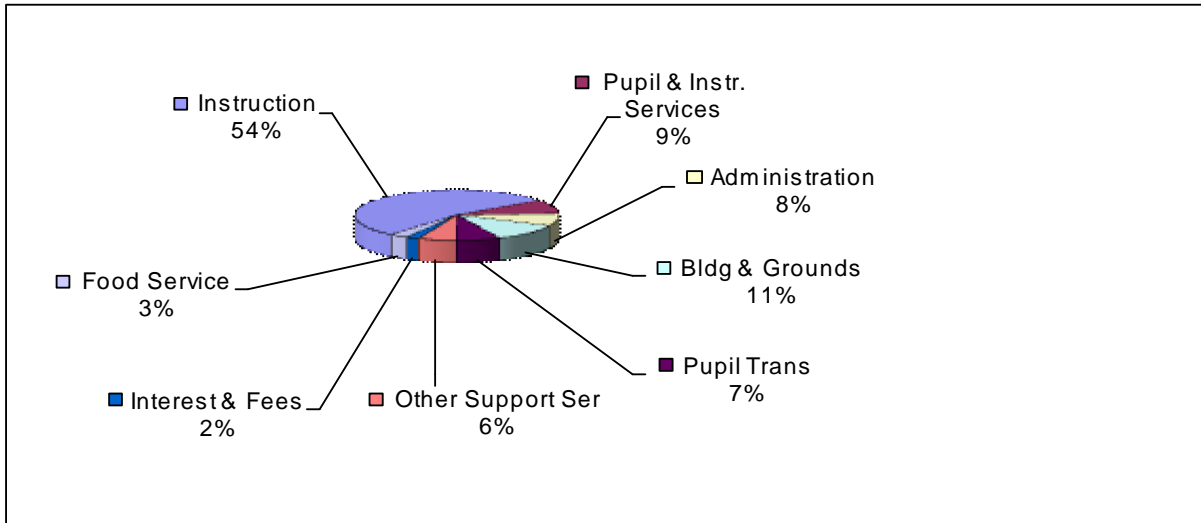


**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

**Chart #2**

**This Chart illustrates the Distribution of costs by Type.**

**Expenditures by Type - FY 12-13**



**FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS**

The District completed the year with a total governmental fund balance of \$6,344,559 an increase from last year's ending fund balance of \$3,234,901.

The general fund had a decrease in fund balance of \$157,724.

The debt service fund had an increase of \$3,237,055 due to the crossover refinancing during the fiscal year.

The other governmental funds had a fund balance increase of \$30,327.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District reviews an interim budget in May for the subsequent year (beginning July 1st). Consistent current state statutes and regulations an original budget is adopted in October, following determination of with official enrollment and certification of general state aids. Generally, the original budget is not significantly modified. The District did not modify the original budget.

While the District's final budget for the general fund anticipated a deficit of \$167,995, the actual results for the year show a deficit of \$157,724.

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of the year, the District had invested \$28,721,661 in capital assets, including land improvements, buildings, and equipment (See Table 5). Total accumulated depreciation on these assets is \$13,593,366. Asset acquisitions for governmental activities totaled \$62,518. The District recognized depreciation expense of \$677,898 for governmental activities. (Detailed information about capital assets can be found in Note 3 to the financial statements.)

**Table #5**

	<b>Governmental Activities</b>	
	<b>(in thousands of dollars)</b>	
	<b>2013</b>	<b>2012</b>
<b>Land</b>	\$ 298	\$ 298
<b>Land improvements</b>	1,486	1,486
<b>Buildings</b>	23,631	23,572
<b>Equipment</b>	3,306	3,345
<b>Accumulated depreciation</b>	(13,593)	(12,968)
<b>Total</b>	<u>\$ 15,128</u>	<u>\$ 15,733</u>

**Long-Term Debt**

At year-end, the district had \$13,514,404 in notes payable and other long-term debt outstanding, a increase of 17.7% from last year (see Table 6). (Detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements).

**Table #6**

	<b>Total</b>	
	<b>(in thousands of dollars)</b>	
	<b>2013</b>	<b>2012</b>
<b>General obligation debt</b>	\$ 12,717	\$ 10,736
<b>Other</b>	797	752
<b>Total</b>	<u>\$ 13,514</u>	<u>\$ 11,488</u>

The District issued \$3,300,000 of bonds payable, retired \$1,483,223 in bonds, notes and lease principal and the postemployment benefit liability increased \$209,967.

Debt of the District is secured by an irrevocable tax levy adopted by the School Board at the time of issuance. Wisconsin state statutes require that the first property tax receipts be segregated for annual debt service payments.

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2013**

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**Factors Bearing on the District's Future**

Currently known circumstances that will impact the District's financial status in the future are:

- The District receives 43% of its revenue from federal and state funding. Federal and state funding as a percentage of total revenue continue to decrease. Decreases in federal and state aids place an increased burden on local taxpayers.
- Energy cost increases continue to pose a challenge in the form of increased fixed costs related to transportation, fuel, and utilities.
- The State of Wisconsin has an open enrollment law that allows students to attend school districts of their choice with few restrictions. The state adjusts each district's general aid payments based on the number of students who transfer. This year the number of outgoing students exceeds incoming students. It is important for the District to maintain the quality of instruction and physical property to remain competitive in the open enrollment environment.
- Enrollment decreased for the 2012-2013 school year by an average of 30 students over the two membership count dates.
- The State of Wisconsin has limited revenue growth through legislation. Revenue caps have been in place since the 1993-1994 school year which requires Districts to pass a referendum to raise additional revenues.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact, Robert Thom, Business Manager, Campbellsport School District, 114 W. Sheboygan Street, Campbellsport, WI 53010.

## **BASIC FINANCIAL STATEMENTS**

SCHOOL DISTRICT OF CAMPBELLSPORT

STATEMENT OF NET ASSETS

June 30, 2013

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ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 4,935,813
Taxes receivable	2,276,301
Accounts receivable	3,989
Due from other governments	230,155
Prepays	65,546
Total Current Assets	<u>7,511,804</u>
NONCURRENT ASSETS	
Capital assets	28,721,661
Less: Accumulated depreciation	(13,593,366)
Net Capital Assets	<u>15,128,295</u>
TOTAL ASSETS	<u>22,640,099</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	1,237,425
Deferred revenues	10,073
Current portion of long-term obligations	1,554,468
Total Current Liabilities	<u>2,801,966</u>
NONCURRENT LIABILITIES	
Noncurrent portion of long-term obligations	11,959,936
Total Liabilities	<u>14,761,902</u>
NET ASSETS	
Invested in capital assets, net of related debt	2,831,742
Restricted	3,482,469
Unrestricted	<u>1,563,986</u>
Total Net Assets	<u>\$ 7,878,197</u>

See accompanying notes to the financial statements.



**SCHOOL DISTRICT OF CAMPBELLSPORT**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Assets
		Charges for Services	Operating Grants and Contributions	
<b>Instruction</b>				
Regular	\$ 6,277,071	\$ 454,640	\$ 108,301	\$ (5,714,130)
Vocational	527,230	-	5,500	(521,730)
Special education	1,736,123	7,753	1,081,741	(646,629)
Other	649,378	40,003	-	(609,375)
Total Instruction	<u>9,189,802</u>	<u>502,396</u>	<u>\$1,195,542</u>	<u>(7,491,864)</u>
<b>Support Services</b>				
Pupil services	603,573	-	-	(603,573)
Instructional support services	933,357	-	189,370	(743,987)
Administration	1,331,952	-	-	(1,331,952)
Buildings and grounds	1,890,907	2,520	-	(1,888,387)
Pupil transportation	1,219,671	-	75,607	(1,144,064)
Other support services	936,372	-	-	(936,372)
Interest and fees	338,221	-	-	(338,221)
Food service	515,951	317,274	220,623	21,946
Total Support Services	<u>7,770,004</u>	<u>319,794</u>	<u>485,600</u>	<u>(6,964,610)</u>
Total Activities	<u>\$16,959,806</u>	<u>\$ 822,190</u>	<u>\$ 1,681,142</u>	<u>(14,456,474)</u>
<b>General Revenues</b>				
Property taxes:				
General purposes				6,641,783
Debt service				1,601,816
Capital improvement				200,000
Other				37,655
State and federal aids not restricted to specific functions				
General				6,426,339
Investment Income				1,639
Miscellaneous				35,640
Total General Revenues				<u>14,944,872</u>
Change in Net Assets				488,398
NET ASSETS-BEGINNING OF YEAR				<u>7,389,799</u>
NET ASSETS-END OF YEAR				<u>\$ 7,878,197</u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

	General Fund	Debt Service Fund	Nonmajor Governmental Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$1,434,281	\$3,453,378	\$ 48,154	\$ 4,935,813
Taxes receivable	2,276,301	-	-	2,276,301
Accounts receivable	3,989	-	-	3,989
Prepaid expenses	62,737	-	2,809	65,546
Due from other governments	226,608	-	3,547	230,155
<b>TOTAL ASSETS</b>	<b><u>\$4,003,916</u></b>	<b><u>\$3,453,378</u></b>	<b><u>\$ 54,510</u></b>	<b><u>\$ 7,511,804</u></b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 33,823	\$ -	\$ 9,007	\$ 42,830
Accrued payroll, payroll taxes, withholdings	1,110,812	-	3,530	1,114,342
Deferred revenue	-	-	10,073	10,073
<b>Total Liabilities</b>	<b><u>1,144,635</u></b>	<b><u>-</u></b>	<b><u>22,610</u></b>	<b><u>1,167,245</u></b>
<b>Fund Balances</b>				
Nonspendable	62,737	-	2,809	65,546
Restricted	-	3,453,378	29,091	3,482,469
Assigned	2,796,544	-	-	2,796,544
<b>Total Fund Balances</b>	<b><u>2,859,281</u></b>	<b><u>3,453,378</u></b>	<b><u>31,900</u></b>	<b><u>6,344,559</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$4,003,916</u></b>	<b><u>\$3,453,378</u></b>	<b><u>\$ 54,510</u></b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. 15,128,295

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long-term liabilities reported in the statement of net assets that are not reported in the funds balance sheet are:

General obligation debt	(12,717,115)
Capital leases	(34,438)
Accrued interest on long term debt	(80,253)
Vested employee benefits	(87,341)
Post-employment benefits	<u>(675,510)</u>

**TOTAL NET ASSETS** **\$ 7,878,197**

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
GOVERNMENTAL FUNDS**

**For the Year Ended June 30, 2013**

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 6,741,720	\$ 1,601,846	\$ 517,285	\$ 8,860,851
Interdistrict sources	406,577	-	-	406,577
Intermediate sources	44,538	-	-	44,538
State sources	7,137,391	-	7,460	7,144,851
Federal sources	742,584	-	213,163	955,747
Other sources	35,640	-	-	35,640
Total Revenues	<u>15,108,450</u>	<u>1,601,846</u>	<u>737,908</u>	<u>17,448,204</u>
<b>EXPENDITURES</b>				
Instruction				
Regular	6,243,234	-	-	6,243,234
Special education	1,736,123	-	-	1,736,123
Vocational	527,230	-	-	527,230
Other instruction	649,378	-	-	649,378
Total instruction	<u>9,155,965</u>	<u>-</u>	<u>-</u>	<u>9,155,965</u>
Support Services				
Pupil services	602,388	-	-	602,388
Instruction support services	923,010	-	-	923,010
Administration	1,309,135	-	-	1,309,135
Buildings and grounds	1,241,439	-	191,630	1,433,069
Pupil transportation	1,219,671	-	-	1,219,671
Other support services	772,835	-	-	772,835
Debt service				
Principal	38,924	1,319,043	-	1,357,967
Interest and fees	2,807	345,748	-	348,555
Food service	-	-	515,951	515,951
Total support services	<u>6,110,209</u>	<u>1,664,791</u>	<u>707,581</u>	<u>8,482,581</u>
Total Expenditures	<u>15,266,174</u>	<u>1,664,791</u>	<u>707,581</u>	<u>17,638,546</u>
Excess (deficiency) of revenues over expenditures	(157,724)	(62,945)	30,327	(190,342)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	3,300,000	-	3,300,000
Payment on refunded debt	-	-	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>(157,724)</u>	<u>3,237,055</u>	<u>30,327</u>	<u>3,109,658</u>
<b>FUND BALANCES-BEGINNING OF YEAR</b>	<u>3,017,005</u>	<u>216,323</u>	<u>1,573</u>	<u>3,234,901</u>
<b>FUND BALANCES-END OF YEAR</b>	<u>\$ 2,859,281</u>	<u>\$ 3,453,378</u>	<u>\$ 31,900</u>	<u>\$ 6,344,559</u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND  
BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013**

Net Change in Fund Balances - Total Governmental Funds \$ 3,109,658

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 the estimated useful lives as depreciation expense.

Capital outlay reported in governmental fund statements	62,518	
Depreciation expense reported in the statement of activities	(667,898)	
Capital asset inventory adjustment	530	(604,850)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long -term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments. (1,942,033)

Vested compensated absences are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned.

Vested compensated absences paid	14,418	
Vested compensated absences earned	-	14,418

Increase in postemployment benefit liability (99,129)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 10,334

**CHANGE IN NET ASSETS - GOVERNMENTAL ACTIVITIES** **\$ 488,398**

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL  
GENERAL FUND  
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Local	\$ 6,744,348	\$ 6,744,348	\$ 6,741,720	\$ (2,628)
Interdistrict	409,257	409,257	398,824	(10,433)
Intermediate	5,000	5,000	5,500	500
State	6,533,197	6,533,197	6,601,372	68,175
Federal	387,456	387,456	235,900	(151,556)
Other	20,000	20,000	35,640	15,640
Total Revenues	<u>14,099,258</u>	<u>14,099,258</u>	<u>14,018,956</u>	<u>(80,302)</u>
<b>EXPENDITURES</b>				
Instruction				
Regular	5,784,939	5,784,939	5,580,534	204,405
Vocational	534,171	534,171	527,230	6,941
Other	651,761	651,761	649,378	2,383
Total instruction	<u>6,970,871</u>	<u>6,970,871</u>	<u>6,757,142</u>	<u>213,729</u>
Support Services				
Pupil services	396,730	396,730	402,774	(6,044)
Instructional support services	581,092	581,092	751,200	(170,108)
Administration	1,344,179	1,344,179	1,309,135	35,044
Buildings and grounds	1,208,185	1,208,185	1,241,439	(33,254)
Pupil transportation	881,200	881,200	901,007	(19,807)
Other support services	724,729	724,729	765,810	(41,081)
Debt service	42,672	42,672	41,731	941
Total support services	<u>5,178,787</u>	<u>5,178,787</u>	<u>5,413,096</u>	<u>(234,309)</u>
Non-program				
General tuition payments	678,845	678,845	662,700	16,145
Other non-program	-	-	452	(452)
Total non-program	<u>678,845</u>	<u>678,845</u>	<u>663,152</u>	<u>15,693</u>
Total Expenditures	<u>12,828,503</u>	<u>12,828,503</u>	<u>12,833,390</u>	<u>(4,887)</u>
Excess of revenues over expenditures	1,270,755	1,270,755	1,185,566	(85,189)
<b>OTHER FINANCING USES</b>				
Operating transfers out	<u>(1,438,750)</u>	<u>(1,438,750)</u>	<u>(1,343,290)</u>	<u>95,460</u>
Net Change in Fund Balance	(167,995)	(167,995)	(157,724)	10,271
FUND BALANCES-BEGINNING OF YEAR	<u>3,017,005</u>	<u>3,017,005</u>	<u>3,017,005</u>	<u>-</u>
FUND BALANCES-END OF YEAR	<u>\$ 2,849,010</u>	<u>\$ 2,849,010</u>	<u>\$ 2,859,281</u>	<u>\$ 10,271</u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-  
BUDGET AND ACTUAL  
SPECIAL EDUCATION FUND  
For the Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interdistrict sources	\$ -	\$ -	\$ 7,753	\$ 7,753
Intermediate sources	40,000	40,000	39,038	(962)
State sources	507,387	507,387	536,019	28,632
Federal sources	378,578	378,578	506,684	128,106
Other sources	-	-	-	-
Total Revenues	<u>925,965</u>	<u>925,965</u>	<u>1,089,494</u>	<u>163,529</u>
<b>EXPENDITURES</b>				
Instruction				
Special education	1,738,247	1,738,247	1,736,123	2,124
Total instruction	<u>1,738,247</u>	<u>1,738,247</u>	<u>1,736,123</u>	<u>2,124</u>
Support Services				
Pupil services	210,268	210,268	199,614	10,654
Instructional support services	158,234	158,234	171,810	(13,576)
Pupil transportation	241,541	241,541	318,664	(77,123)
Other support services	16,425	16,425	6,573	9,852
Total support services	<u>626,468</u>	<u>626,468</u>	<u>696,661</u>	<u>(70,193)</u>
Total Expenditures	<u>2,364,715</u>	<u>2,364,715</u>	<u>2,432,784</u>	<u>(68,069)</u>
Excess (deficiency) of revenues over expenditures	(1,438,750)	(1,438,750)	(1,343,290)	95,460
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	1,438,750	1,438,750	1,343,290	(95,460)
Operating transfers out	-	-	-	-
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES-BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES-END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

SCHOOL DISTRICT OF CAMPBELLSPORT

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2013

---

	Agency Fund Student Activity	Trust Fund Scholarships
<b>ASSETS</b>		
Cash and cash equivalents	\$ 84,916	\$ 2,751
Total Assets	<u>\$ 84,916</u>	<u>\$ 2,751</u>
<b>LIABILITIES</b>		
Due to student organizations	\$ 84,916	\$ -
Total Liabilities	<u>\$ 84,916</u>	<u>-</u>
<b>NET ASSETS</b>		<u>\$ 2,751</u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**For The Year Ended June 30, 2013**

	<u>Scholarships</u>
<b>ADDITIONS</b>	
Contributions	\$ 5,173
Investment income	-
Total additions	5,173
<b>DEDUCTIONS</b>	
Scholarships awarded	3,100
<b>Change in Net Assets</b>	2,073
NET ASSETS-BEGINNING OF YEAR	678
NET ASSETS-END OF YEAR	\$ 2,751

See accompanying notes to the financial statements.



**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**INDEX TO NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

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SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

---

The accounting policies of the School District of Campbellsport (“the District”) conform to generally accepted accounting principles as applicable to governmental units.

**A. REPORTING ENTITY**

The District is organized as a common school district. The District, governed by a seven member elected school board, operates grades K through 12 and is comprised of all or parts of eleven taxing districts. This report includes all of the funds of the District. The reporting entity for the District consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. This report does not contain any component units.

**B. CHANGES IN ACCOUNTING METHODS AND BASIS OF FINANCIAL STATEMENT PRESENTATION**

In June 1999 the Governmental Accounting Standards Board (GASB) issued Statement No. 34 *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB). Statement No. 34 makes the most significant change in financial reporting in over twenty years. Subsequent to the issuance of GASB 34, GASB issued the following standards to be implemented at the same time GASB 34 is adopted; Statement No. 37, *Basic Financial Statements and Management’s Discussion and Analysis For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosure and Interpretation No. 6. Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

The District has implemented this standard effective July 1, 2003 and accordingly has also implemented the provisions of GASB 37, GASB 38 and Interpretation No. 6.

Statement No. 34, among many other changes, adds two new “Government-Wide” (District-Wide) financial statements as basic financial statements required for all governmental units. The Statement of Net Assets and the Statement of Activities are the two new required statements. Both statements are prepared on the full accrual basis. Previously, in accordance with accounting standards for governmental units, the District used the modified accrual basis of accounting for certain funds. The modified accrual basis of accounting continues to be the appropriate basis of accounting for governmental activity fund financial statements.

In addition, all funds are reported as governmental activities or fiduciary funds. The definitions for these types of activities are discussed in other portions of Note 1.

Finally, all non-fiduciary funds are further classified as major or non-major funds. In reporting financial condition and results of operations for governmental units, the new standard concentrates on major funds versus non-major funds.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

---

**C. BASIS OF PRESENTATION**

***District-wide Financial Statements***

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The District does not report any business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The District does not allocate indirect expenses to functions in the Statement of Activities. Program revenues included 1) charges to customers or applicants who purchase, use or directly benefit from restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

Internally dedicated resources are reported as general revenues rather than as program revenues.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitutes its assets, liabilities, fund equity, revenues, and expenditures.

Funds are organized as major funds or non-major funds within the governmental and fiduciary statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets, liabilities, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the District believes is particularly important to financial statement users may be reported as a major fund.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

---

**C. BASIS OF PRESENTATION (continued)**

**GOVERNMENTAL ACTIVITIES**

Governmental funds are identified as either general, special revenue, debt service, capital projects, or permanent funds based upon the following guidelines.

*General Fund*

The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund. The special education fund has been combined with the general fund as the general fund is the primary source of financing for this fund.

*Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specific purposes.

*Debt Service Funds*

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

*Capital Projects Funds*

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

*Permanent Funds*

Permanent Funds are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization.

**FIDUCIARY FUNDS (Not included in district-wide statements)**

*Private-Purpose Trust Funds*  
*Employee Benefit Trust Funds*

Trust Funds are used to account for resources legally held in trust for student scholarships and post employment benefits for former employees.

*Agency Funds*

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

---

**C. BASIS OF PRESENTATION (continued)**

**FIDUCIARY FUNDS (Not included in district-wide statements) (continued)**

**Major Funds**

The District reports the following major governmental funds:

General Fund  
Debt Service Fund

**Non-major Funds**

The District reports the following non-major governmental funds:

Special Revenue Funds –  
Special Revenue Trust Fund  
Food Service Fund  
Capital Expansion Fund

**Fiduciary Funds**

The District reports the following fiduciary funds:

Private – Purpose Trust Funds – Scholarship Fund  
Agency Funds –  
Student Activity Fund

**D. BASIS OF ACCOUNTING**

The district-wide Statement of Net Assets and Statement of Activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The modified accrual basis of accounting is followed by the governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

---

**D. BASIS OF ACCOUNTING (continued)**

Property tax revenues are recognized as revenue in the fiscal year levied as the District considers the property taxes as due prior to June 30. The District considers the taxes as due on January 1, the date from which interest and penalties accrue for non-payment of a scheduled installment. Full receipt of the entire levy is assured within sixty days of the school's fiscal year end. Receipt of the balance of taxes levied within sixty days meets the requirements for availability in accordance with generally accepted accounting principles applicable to governmental entities.

Property taxes are collected by local taxing districts until January 31. Real estate tax collections after that date are made by the county, which assumes all responsibility for delinquent real estate taxes.

The aggregate amount of property taxes to be levied for district purposes is determined according to provisions of Chapter 120 of the Wisconsin Statutes. Property taxes levied by the District are certified to local taxing districts for collection. Property taxes attach as an enforceable lien as of January 1. Taxes are levied in December on the assessed value as of the prior January 1.

Property tax calendar – 2012 tax roll:

Lien date and levy date	October, 2012
Tax bills mailed	December, 2012
Payment in full, or	January 31, 2013
First installment due	January 31, 2013
Second installment due	April 1, 2013
Third installment due	July 31, 2013
Personal property taxes in full	January 31, 2013
Tax sale 2012 delinquent real estate taxes	October, 2016

State general and categorical aids and other entitlements are recognized as revenue in the period the District is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the District which are not available are recorded as receivables and deferred revenue. Amounts received prior to the entitlement period are also recorded as deferred revenue.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, expenditure-driven grant programs, public charges for services, and investment income.

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

For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the District has a legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

---

***E. MEASUREMENT FOCUS***

On the district-wide Statement of Net Assets and Statement of Activities governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are included as liabilities in the district-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

***F. INVENTORIES***

Governmental fund inventories are recorded at cost based on the FIFO (first-in, first-out) method using the consumption method of accounting.

***G. LONG-TERM OBLIGATIONS***

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the district-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the district-wide statements. The long-term debt consists primarily of notes, bonds or loans payable, capital leases and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest are reported as expenditures.

***H. CAPITAL ASSETS***

***District-Wide Statements***

In the district-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Prior to July 2003, governmental funds' capital assets were accounted for in the general fixed asset account group and were not recorded directly as a part of any individual fund's financial statements. Upon implementing GASB 34 governmental units are required to account for all fixed assets including infrastructure in the district-wide statements. Infrastructure assets may be accounted for prospectively from the date of implementation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Site improvements	20 years
- Buildings	50 years
- Furniture and equipment	5-15 years



SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**H. CAPITAL ASSETS (continued)**

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

***Fund Financial Statements***

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

**I. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

**J. BUDGETS**

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

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

1. Based upon requests from District staff, the District Administration recommends budget proposals to the School Board.
2. The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30, fiscal year.
3. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
4. Pursuant to the budget hearing, the School Board may make alterations to the proposed budget.
5. After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.
6. Appropriations lapse at year end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserved fund balance.
7. Encumbrance accounting is used.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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**K. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

**L. COMPENSATED ABSENCES**

The District's policy allows employees to earn varying amounts of vacation pay for each year employed. The District does not allow carryover of unused time to the following year. The employee is entitled to be paid out for unused vacation upon retirement or termination of employment.

The District's sick pay policy allows employees to accumulate 107 days of sick pay. Unused accumulated sick pay benefits can be converted to pay for health insurance premiums upon retirement for eligible employees or forfeited upon termination of employment.

The vacation and sick pay liabilities are calculated based on the pay or salary rates in effect at year-end.

**M. POST EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

In addition to the pension benefits described in Note 7 the District provides various levels of health coverage to certified teaching personnel who opt for retirement at various ages as part of the negotiated certified teacher's contract. The District provides these benefits for up to six years after retirement.

Teachers with 20 years of service to the District and age 55 will receive the cost of health and dental premium up to \$3,600 for a family plan and \$1,800 for a single plan up to six years from date of retirement or eligibility for Medicare, whichever comes first.

See note 16 for additional information.

**N. OTHER ASSETS**

In governmental funds, debt issuance costs are recognized in the current period. For the district-wide financial statements, governmental activity debt issuance costs are amortized over the life of the debt issue.

**O. CLAIMS AND JUDGMENTS**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the district-wide financial statements as expense when the related liabilities are incurred. There were no significant claims or judgments at year-end.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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**P. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**Q. EQUITY CLASSIFICATIONS**

***District-Wide Statements***

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either 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.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

***Fund Statements***

Governmental fund equity is classified as fund balance.

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaid items as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are only available to service debt, capital expansion resources are only available for specific capital expansion uses by law and food service resources are required by law to be used within that program.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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**Q. EQUITY CLASSIFICATIONS (continued)**

- Committed: This classification includes amounts that can be used only for specified purposes pursuant to constraints imposed by formal action of the School Board. These amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of year end.
- Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the School Board or through the School Board delegating this responsibility to its representative. This classification includes the fund balance for the General Fund. The District has assigned funds for maintaining an adequate fund balance to minimize borrowing for short-term purposes.
- Unassigned: This classification includes any residual fund balance of the General Fund.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**R. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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**NOTE 2 – DEPOSITS AND INVESTMENTS**

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Cash for all District funds is pooled for investment purposes with the exception of a separate checking account for debt service and capital projects uses. At year end, the deposits and investments included the following:

Petty cash/cash on hand	\$ 550
Deposits with financial institutions	593,346
Government securities with escrow agent Associated Trust Company	3,254,450
Wisconsin Local Government Investment Pool	1,175,134
Total Deposits and Investments	<u>\$ 5,023,480</u>

Deposits and investments as of year end are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Deposits and investments	\$ 4,935,813
Fiduciary Funds:	
Deposits and investments	87,667
Total Deposits and Investments	<u>\$ 5,023,480</u>

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

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**Deposits**

At year end, the carrying amount of the District's deposits was \$593,346 and the bank balance was \$756,623. The difference between the carrying amount and the bank balance represents outstanding checks and deposits in transit.

\$250,000 of the bank balance was covered by federal depository insurance and \$506,623 was uninsured and uncollateralized.

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and \$250,000 for noninterest bearing accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual municipalities. This coverage has not been considered in computing the amounts covered by insurance above.

Fluctuating cash flows during the year due to tax collections, receipt of state aids, and borrowings may have resulted in temporary balances exceeding insured amounts by substantially higher amounts than reported at the balance sheet date.

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The policy requires deposits to be made only in banks with FDIC coverage. The board approves depositories annually and as changes occur based on a recommendation from management.

Investments Authorized by Wisconsin State Statutes

Investment of District funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association maturing in three years or less.
- Bonds or securities of any county, city, drainage district, technical college district, district, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospital and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

*INTEREST RATE RISKS*

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.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2013

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Deposits (continued)**

The District's investment policy does not limit 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	Remaining Maturity (in Months)	
	Amount	12 Months or Less
Government Securities	\$3,254,450	\$ 3,254,450
Local Government Investment Pool	1,175,134	1,175,134
Total	\$4,429,584	\$ 4,429,584

**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. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District's investment policy does not further limit its investment choices. As of yearend, the District's investments consisted of the following:

	Amount	Rating
Government securities	\$3,254,450	Not Rated
WI Local Government Investment Pool	\$1,175,134	Not Rated

***Fair (Market) Value of Deposits and Investments***

Deposits and investments are reported at fair value. At year end, the fair value of the District's deposits and investments approximated original cost, therefore no fair value adjustments were necessary.

***Determining Fair Value***

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

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

***Investment Pool Information***

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

***Income Allocation***

Interest income is generally allocated to the fund that owns the certificate of deposit, money market account, savings account, and investment. Interest income from special education, food services and community service funds is reported in the general fund.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

**NOTE 3 - CAPITAL ASSETS**

Capital asset balances and activity for the year were as follows:

	Beginning Balance	Additions	Deletions & Adjustments	Ending Balance
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 298,125	\$ -	\$ -	\$ 298,125
Total capital assets not being depreciated	298,125	-	-	298,125
Capital assets not being depreciated:				
Land improvements	1,485,651	-	-	1,485,651
Buildings and improvements	23,571,878	59,720	-	23,631,598
Equipment	3,345,275	2,798	(41,786)	3,306,287
Total capital assets being depreciated	28,402,804	62,518	(41,786)	28,423,536
Less Accumulated depreciation for:				
Land improvements	(1,081,866)	(49,254)	-	(1,131,120)
Buildings and improvements	(9,257,237)	(448,645)	-	(9,705,882)
Equipment	(2,628,681)	(169,999)	42,316	(2,756,364)
Total Accumulated Depreciation	(12,967,784)	(667,898)	42,316	(13,593,366)
Net Capital Assets	\$15,733,145	\$ (605,380)	\$ 530	\$15,128,295

Depreciation expense was charged to functions as follows:

Instruction	
Regular	\$ 33,837
Support services	
Pupil services	1,185
Instructional support services	10,347
Administration	22,817
Buildings and grounds	520,356
Other support services	79,356
Total Depreciation Expense	\$ 667,898

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2013**

**NOTE 3 - CAPITAL ASSETS (continued)**

The fund and function detail of capital asset additions is as follows:

	General Fund	Capital Expansion Fund
Instruction		
Other	\$ -	\$ -
Administration	-	-
Buildings and grounds	2,798	59,720
Other support services	-	-
	\$ 2,798	\$ 59,720

**NOTE 4 – SHORT-TERM DEBT**

The District had a \$600,000 line of credit at National Exchange Bank & Trust. Interest is payable at maturity at the rate of 1.95%. The balance at year end was zero and the line of credit matured on December 12, 2012. Interest expense on short-term debt for the year was \$512. The balance at the beginning of the year was zero and the proceeds of \$450,000 were used for operating purposes.

**NOTE 5 – LONG-TERM OBLIGATIONS**

**A. LONG TERM LIABILITIES**

Long-term liability activity for the year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
General obligations bonds	\$ 10,005,000	\$ 3,300,000	\$(1,160,000)	\$12,145,000	\$1,160,000
General obligation notes payable	731,158	-	(159,043)	572,115	167,989
Capital leases	73,362	-	(38,924)	34,438	34,438
Vacation pay	101,759	-	(14,418)	87,341	87,341
Postemployment benefits	576,381	209,967	(110,838)	675,510	104,700
	\$ 11,487,660	\$ 3,509,967	\$(1,483,223)	\$13,514,404	\$1,554,468

Interest cost incurred during the year totaled \$338,221. Total interest paid during the year aggregated \$348,555 including \$2,295 for capital leases.



**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

**NOTE 5 – LONG-TERM OBLIGATIONS (continued)**

**A. LONG TERM LIABILITIES (continued)**

**General Obligation Debt**

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at year end is comprised of the following individual issues:

Type	Date of Issue	Final Maturity	Interest Rate	Original Indebtedness	Ending Balance
General Obligation Debt					
Bonds payable	12/12/2011	3/1/2020	2.0%-2.5%	\$ 5,890,000	\$ 5,150,000
Bonds payable	3/15/2004	3/1/2020	2.25%-4.0%	4,695,000	3,695,000
Notes payable	3/15/2010	3/1/2020	1.25%-5.0%	620,000	455,000
Notes payable	7/6/2010	7/6/2014	3.75%	410,000	117,115
Bonds payable	5/23/2013	3/1/2020	.5%-1.6%	3,300,000	<u>3,300,000</u>
Total General Obligation Debt					<u>\$12,717,115</u>

**General Obligation Debt Limit Calculation**

The 2012 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$840,974,384. The legal debt limit and margin of indebtedness as of year end, in accordance with Section 67.03(1) (b), Wisconsin Statutes, follows:

Debt limit (10 percent of \$ 840,974,384)	\$ 84,097,438
Deduct long-term debt applicable to debt margin	<u>12,717,115</u>
Margin of indebtedness	<u>\$ 71,380,323</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest follows:

Year	Principal	Interest	Total
2014	\$ 1,327,989	\$ 291,398	\$ 1,619,387
2015	1,604,126	265,916	1,870,042
2016	1,880,000	231,501	2,111,501
2017	1,915,000	192,795	2,107,795
2018	1,955,000	150,820	2,105,820
2019	1,995,000	106,080	2,101,080
2020	2,040,000	56,295	2,096,295
Totals	<u>\$ 12,717,115</u>	<u>\$ 1,294,805</u>	<u>\$ 14,011,920</u>

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

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**NOTE 6 - LEASE DISCLOSURES**

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**LESSEE - CAPITAL LEASES**

The District leases equipment under capital leases. These assets are included in the capital assets with a cost value of \$185,600. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$ 34,938
Total Minimum Lease Payments	34,938
Less: Amount Representing Interest	500
	<u>500</u>
Present Value of Net Minimum Lease Payments	<u>\$ 34,438</u>

**LESSEE - OPERATING LEASES**

The District leases copiers under operating leases at \$999 monthly for thirty six months through August, 2014. Future payments are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2014	\$11,990
2015	1,998

**LESSOR - CAPITAL LEASES**

The District has no sales-type or direct financing leases as lessor.

**LESSOR - OPERATING LEASES**

The District does not receive material lease payments from property rented to others.

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**NOTE 7 - EMPLOYEES' RETIREMENT SYSTEM**

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All eligible Campbellsport School District employees participate in the Wisconsin Retirement System (WRS) a cost-sharing multiple-employer, defined benefit, public employee retirement system ("PERS"). All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 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. 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. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by stature to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 7 - EMPLOYEES' RETIREMENT SYSTEM (continued)**

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Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions 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. Contribution rates for 2013 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	6.65%	6.65%
Executives & Elected Officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for Campbellsport School District employees covered by the WRS for the year ended June 30, 2013 was \$7,912,584, the employer's total fiscal year payroll was \$8,707,662. The total required contribution for the year ended June 30, 2013 was \$1,008,482, which consisted of \$504,241, or 6.4% of payroll from the employer and \$504,241, or 6.4% of payroll from employees. The Campbellsport School District and employees each paid their half of the required contributions. Total contributions for the years ending June 30, 2012 and 2011 were \$939,122 and \$844,006, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive retirement benefits. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: 1) final average earnings, 2) years of credible service, and 3) a formula factor. Final average earnings are the average of the employee's three highest years of earnings. Employees terminating covered employment and submitting application before becoming eligible for retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation on or after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. Participants who initially become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

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

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 8 – GOVERNMENTAL ACTIVITIES NET ASSETS**

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Governmental activities net assets reported on the Government Wide Statement of Net Assets at year-end include the following:

***Governmental Activities***

Invested in capital assets, net of related debt	
Capital assets, net of accumulated depreciation	\$ 15,128,295
Less: related long-term debt outstanding	(12,296,553)
Total Invested in Capital Assets	<u>2,831,742</u>
Restricted	
Debt service	3,453,378
Capital expansion	9,788
Food service	19,303
	<u>3,482,469</u>
Unrestricted	<u>1,563,986</u>
Total Governmental Activities Net Assets	<u>\$ 7,878,197</u>

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**NOTE 9 – GOVERNMENTAL FUND BALANCES**

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Nonspendable	
Major Funds	
General Fund	\$ 62,737
Nonmajor Funds	
Food service fund	2,809
	<u>65,546</u>
Restricted	
Major Funds	
Debt Service fund	3,453,378
Nonmajor Funds	
Capital expansion fund	9,788
Food service fund	19,303
	<u>3,482,469</u>
Assigned	
Major Funds	
General Fund	
Designated	
Working capital	2,796,544
Total Governmental Fund Balances	<u>\$ 6,344,559</u>

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 10 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS**

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Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds.

Capital assets, net of accumulated depreciation	\$ 15,128,295
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Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net assets.

Bonds, notes and leases payable	\$ 12,751,553
Vested employee benefits	87,341
Postemployment benefits	675,510
Accrued interest	80,253
	<hr/>
Combined Adjustment	\$ 13,594,657

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**NOTE 11 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES**

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Under the modified accrual basis of accounting used in the governmental funds, expenditures are recognized for transactions that are normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment is a combination of the following items:

Accrued interest:	
Beginning	\$ 90,587
Ending	(80,253)
	<hr/>
Decrease	\$ 10,334

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 12 - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS**

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The following funds had an excess of actual expenditures over budget for the year:

<u>Fund</u>	<u>Excess Expenditure</u>
General Fund	
Pupil services	\$ 6,044
Instructional support services	170,108
Buildings and grounds	33,254
Pupil transportation	19,807
Other support services	41,081
Other nonprogram	452
Special Education Fund	
Instructional support services	13,576
Pupil transportation	77,123

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**NOTE 13 – RISK MANAGEMENT**

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The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded insurance coverage in any of the last three years. There were no significant reductions in coverage compared to the prior year.

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**NOTE 14 – COMMITMENTS AND CONTINGENCIES**

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

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

Under FASB Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations", a conditional asset retirement obligation is a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the District. Accordingly, the District is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

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**NOTE 14 – COMMITMENTS AND CONTINGENCIES (continued)**

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The District is aware some older buildings contain some level of asbestos in which they will incur removal costs upon remodeling, selling, or abandoning these buildings at some future date. However, at this point, the District does not feel they have enough information to reasonably estimate the fair value of the asset retirement obligation and have not recorded a liability.

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**NOTE 15 – LIMITATION OF SCHOOL DISTRICT REVENUES**

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Wisconsin statutes limit the amount of revenues that school districts may derive from general school aid and property taxes. The annual revenue increase from these sources is limited to an allowable per member increase which is determined by the legislature.

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

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

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

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**NOTE 16 - DUE FROM/DUE TO OTHER FUNDS - FUND FINANCIAL STATEMENTS**

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There were no fund interfund receivable and payable balances at year end.

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**NOTE 17 - POST EMPLOYMENT BENEFITS**

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From an accrual accounting perspective, the cost of postemployment health and dental benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the District recognizes the cost of postemployment benefits in the year when the employee services are received, reports the accumulated liability from prior years, and provide information useful in assessing potential demands on the District's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

**A. Plan Description**

The District provides annual payment of one half of the health and dental insurance up to \$3,600 for a family plan and \$1,800 for a single plan to eligible retired employees up to six years from the date of retirement or eligibility for Medicare, whichever comes first. In addition to the six year benefit, in return for every eight unused sick days accumulated upon retirement, the District will make an additional one month's contribution at the same rate and manner as the six year benefit. These benefits are available to employees at the age of 55 with a minimum of twenty years of service and subject to the terms of the contract at the time of retirement. The District is obligated for these benefits under both union and individual employment contracts. This benefit will commence on the first day of the month following that of actual retirement. The plan has 19 retirees receiving benefits.

SCHOOL DISTRICT OF CAMPBELLSPORT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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**NOTE 17 - POST EMPLOYMENT BENEFITS (continued)**

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**B. Funding Policy**

The District currently pays for postemployment health and dental benefits on a pay-as-you-go basis. The District is considering the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability; these financial statements assume that pay-as-you-go funding will continue.

**C. Annual OPEB Cost and Net OPEB Obligation**

The District's annual OPEB Cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the year, were as follows:

Normal cost	\$	89,141
Interest to end of year		5,794
30 year amortization of unfunded accrued liability		115,032
Annual required contribution		<u>209,967</u>
Contributions made		<u>(110,838)</u>
Increase in OPEB liability		99,129
Net OPEB liability - beginning of year		576,381
Net OPEB liability - end of year	\$	<u><u>675,510</u></u>

**D. Trend Information**

The District continues to fund postemployment benefits on a pay-as-you-go basis, see further details in this note as to the unfunded actuarial accrued liability.

**E. Actuarial Methods and Assumptions**

Actuarial valuations for an ongoing Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates are made about the future. Although the valuation results are based on values the District's actuarial consultant believes are reasonable assumptions, the valuation result is only an estimate of what future costs may actually be and reflect a long-term perspective. Deviations in any of several factors, such as future interest rate discounts, medical cost inflation, Medicare coverage risk, and changes in marital status, could result in actual costs being greater or less than estimated.

Projection of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing 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 effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.



**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2013**

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**NOTE 17 - POST EMPLOYMENT BENEFITS (continued)**

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In the initial actuarial valuation for the Plan as of July 1, 2008, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 6.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on Plan assets and on the District's own investments calculated based on the funded level of the Plan at the valuation date, and an annual healthcare cost trend rate of 10% initially, reduced by increments of 1% annually to an ultimate rate of 5% after five years. Both rates included a 4% inflation assumption. The actuarial value of assets will be determined using fair value. The UAAL will be amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period is 30 years.

The unfunded actuarial accrued liability as of July 1, 2008, the valuation date, was \$2,142,970.

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**NOTE 18 - SUBSEQUENT EVENTS**

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Management has evaluated subsequent events through September 12, 2013, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**COMBINING BALANCE SHEET  
GENERAL FUND  
June 30, 2013**

	General Fund	Special Education Fund	Total General Fund
<b>ASSETS</b>			
Cash and investments	\$ 1,434,772	\$ (491)	\$ 1,434,281
Taxes receivable	2,276,301	-	2,276,301
Accounts receivable	3,989	-	3,989
Prepaid expenses	60,164	2,573	62,737
Due from other governments	178,263	48,345	226,608
<b>TOTAL ASSETS</b>	<b><u>\$ 3,953,489</u></b>	<b><u>\$ 50,427</u></b>	<b><u>\$ 4,003,916</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 31,091	\$ 2,732	\$ 33,823
Accrued payroll, payroll taxes, withholdings	1,063,117	47,695	1,110,812
<b>Total Liabilities</b>	<b><u>1,094,208</u></b>	<b><u>50,427</u></b>	<b><u>1,144,635</u></b>
<b>Fund Balances</b>			
Nonspendable	60,164	-	60,164
Assigned	2,799,117	-	2,799,117
<b>Total Fund Balances</b>	<b><u>2,859,281</u></b>	<b><u>-</u></b>	<b><u>2,859,281</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 3,953,489</u></b>	<b><u>\$ 50,427</u></b>	<b><u>\$ 4,003,916</u></b>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
GENERAL FUND**

**For the Year Ended June 30, 2013**

	General Fund	Special Education Fund	Total General Fund
<b>REVENUES</b>			
Local sources	\$ 6,741,720	\$ -	\$ 6,741,720
Interdistrict sources	398,824	7,753	406,577
Intermediate sources	5,500	39,038	44,538
State sources	6,601,372	536,019	7,137,391
Federal sources	235,900	506,684	742,584
Other sources	35,640	-	35,640
Total Revenues	<u>14,018,956</u>	<u>1,089,494</u>	<u>15,108,450</u>
<b>EXPENDITURES</b>			
Instruction			
Regular	6,243,234	-	6,243,234
Special education	-	1,736,123	1,736,123
Vocational	527,230	-	527,230
Other instruction	649,378	-	649,378
Total instruction	<u>7,419,842</u>	<u>1,736,123</u>	<u>9,155,965</u>
Support Services			
Pupil services	402,774	199,614	602,388
Instruction support services	751,200	171,810	923,010
Administration	1,309,135	-	1,309,135
Buildings and grounds	1,241,439	-	1,241,439
Pupil transportation	901,007	318,664	1,219,671
Other support services	766,262	6,573	772,835
Debt service			
Principal	38,924	-	38,924
Interest and fees	2,807	-	2,807
Total support services	<u>5,413,548</u>	<u>696,661</u>	<u>6,110,209</u>
Total Expenditures	<u>12,833,390</u>	<u>2,432,784</u>	<u>15,266,174</u>
Excess (deficiency) of revenues over expenditures	1,185,566	(1,343,290)	(157,724)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in(out)	<u>(1,343,290)</u>	<u>1,343,290</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(157,724)	-	(157,724)
<b>FUND BALANCES-BEGINNING OF YEAR</b>	<u>3,017,005</u>	<u>-</u>	<u>3,017,005</u>
<b>FUND BALANCES-END OF YEAR</b>	<u><u>\$ 2,859,281</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,859,281</u></u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2013**

	<u>Special Revenue Fund Food Service</u>	<u>Capital Expansion Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 37,981	\$ 10,173	\$ 48,154
Prepaid expenses	2,809	-	2,809
Due from other governments	3,547	-	3,547
<b>TOTAL ASSETS</b>	<b><u>\$ 44,337</u></b>	<b><u>\$ 10,173</u></b>	<b><u>\$ 54,510</u></b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 8,622	\$ 385	\$ 9,007
Payroll, payroll taxes, withholdings	3,530	-	3,530
Deferred revenue	10,073	-	10,073
<b>Total Liabilities</b>	<b><u>22,225</u></b>	<b><u>385</u></b>	<b><u>22,610</u></b>
<b>Fund Balances</b>			
Nonspendable	2,809	-	2,809
Restricted	19,303	9,788	29,091
<b>Total Fund Balances</b>	<b><u>22,112</u></b>	<b><u>9,788</u></b>	<b><u>31,900</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 44,337</u></b>	<b><u>\$ 10,173</u></b>	<b><u>\$ 54,510</u></b>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2013**

	Special Revenue Fund <u>Food Service</u>	Capital Expansion Fund <u>Fund</u>	Total Nonmajor Governmental Funds <u>Funds</u>
<b>REVENUES</b>			
Other local sources	\$ 317,274	\$ 200,011	\$ 517,285
State sources	7,460	-	7,460
Federal sources	213,163		213,163
Other sources	-	-	-
Total Revenues	<u>537,897</u>	<u>200,011</u>	<u>737,908</u>
<b>EXPENDITURES</b>			
Support services			
Buildings and grounds	-	191,630	191,630
Food service	515,951	-	515,951
Total Expenditures	<u>515,951</u>	<u>191,630</u>	<u>707,581</u>
Excess of Revenue Over (Under) Expenditures	21,946	8,381	30,327
FUND BALANCES-BEGINNING OF YEAR	<u>166</u>	<u>1,407</u>	<u>1,573</u>
FUND BALANCES-END OF YEAR	<u>\$ 22,112</u>	<u>\$ 9,788</u>	<u>\$ 31,900</u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
JUNE 30, 2013**

	Nonreferendum Debt	Referendum Debt	Total
<b>ASSETS</b>			
Cash	\$ 28,009	\$ 3,425,369	\$ 3,453,378
Total Assets	\$ 28,009	\$ 3,425,369	\$ 3,453,378
 <b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ -
 <b>Fund Balances</b>			
Restricted	28,009	3,425,369	3,453,378
Total Fund Balances	28,009	3,425,369	3,453,378
Total Liabilities and Fund Balances	\$ 28,009	\$ 3,425,369	\$ 3,453,378

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES  
DEBT SERVICE FUNDS  
For the Year Ended June 30, 2013**

	Nonreferendum Debt	Referendum Debt	Total
<b>REVENUES</b>			
Local sources	\$ 185,514	\$ 1,416,332	\$ 1,601,846
Other sources	-	-	-
Total Revenues	<u>185,514</u>	<u>1,416,332</u>	<u>1,601,846</u>
<b>EXPENDITURES</b>			
Principal	159,043	1,160,000	1,319,043
Interest and fees	26,089	319,659	345,748
Total Expenditures	<u>185,132</u>	<u>1,479,659</u>	<u>1,664,791</u>
Excess of Revenue Over (Under) Expenditures	382	(63,327)	(62,945)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in (out)	-	-	-
Debt proceeds	-	3,300,000	3,300,000
Payment on refunded debt	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	382	3,236,673	3,237,055
Fund Balances, Beginning of Year	<u>27,627</u>	<u>188,696</u>	<u>216,323</u>
<b>FUND BALANCES, END OF YEAR</b>	<u><u>\$ 28,009</u></u>	<u><u>\$ 3,425,369</u></u>	<u><u>\$ 3,453,378</u></u>

See accompanying notes to the financial statements.



**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**STUDENT ORGANIZATION FUNDS**  
**For the Year Ended June 30, 2013**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and investments	\$ 105,945	\$ 310,377	\$ (331,406)	\$ 84,916
<b>TOTAL ASSETS</b>	<u>\$ 105,945</u>	<u>\$ 310,377</u>	<u>\$ (331,406)</u>	<u>\$ 84,916</u>
<b>LIABILITIES</b>				
Due to student organizations:				
Campbellsport elementary	\$ 10,144	\$ 12,371	\$ (17,202)	\$ 5,313
Eden elementary	2,843	7,953	(9,051)	1,745
Junior high	3,766	7,952	(8,080)	3,638
High	89,192	282,101	(297,073)	74,220
<b>TOTAL LIABILITIES</b>	<u>\$ 105,945</u>	<u>\$ 310,377</u>	<u>\$ (331,406)</u>	<u>\$ 84,916</u>

See accompanying notes to the financial statements.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**SCHEDULE OF EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE  
For the Year Ended June 30, 2013**

Federal Agency/ Pass-Through Agency/ Program Title	CFDA Number	Revenues			Total Revenues	Total Expenditures Grantor Share
		(Accrued) Deferred Beginning Balance	Received	Accrued (Deferred) Ending Balance		
<b>U.S. DEPT OF EDUCATION</b>						
State of Wisconsin-Department of Public Instruction						
Title 1	84.010	\$ (45,210)	\$ 187,190	\$ 37,511	\$ 179,491	\$ 179,491
Title II-A	84.367	-	56,409	-	56,409	56,409
IDEA Preschool	84.173	(5,107)	9,238	2,551	6,682	6,682
IDEA	84.027	(46,008)	369,747	44,640	368,379	368,379
Cesa 6						
Carl Perkins	84.048	-	5,500	-	5,500	5,500
<b>U.S. DEPT OF HEALTH &amp; HUMAN SERVICES</b>						
State of Wisconsin-Department of Health Services						
Medical Assistance	93.778	(8,474)	8,474	131,623	131,623	131,623
<b>U.S. DEPT OF AGRICULTURE</b>						
State of Wisconsin-Department of Public Instruction						
Food Distribution - Commodities	10.555	-	38,027	-	38,027	38,027
National School Breakfast Program	10.553	(234)	13,330	306	13,402	13,402
National School Lunch Program	10.555	(3,264)	161,756	3,241	161,733	161,733
<b>TOTAL FEDERAL AWARDS</b>		<u>\$ (108,297)</u>	<u>\$ 849,671</u>	<u>\$ 219,872</u>	<u>\$ 961,246</u>	<u>\$ 961,246</u>

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**For the Year Ended June 30, 2013**

State Agency/ Pass-Through Agency/ Program Title	State ID Number	Revenues			Total Revenues	Total Expenditures Grantor Share
		(Accrued) Deferred Beginning Balance	Received (Returned)	Accrued (Deferred) Ending Balance		
<b>DEPARTMENT OF PUBLIC INSTRUCTION</b>						
Entitlement Programs						
Handicapped Pupils and School Age Parents	255.101	\$ -	\$ 536,019	\$ -	\$ 536,019	\$ 536,019
Participant in Package Program At CESA #6		-	39,038	-	39,038	39,038
Total Handicapped Program		-	575,057	-	575,057	575,057
School Lunch Aid Program	255.102	-	6,584	-	6,584	6,584
Common School Fund Library Aid	255.103	-	61,771	-	61,771	61,771
General Equalization	255.201	(112,448)	6,343,520	116,725	6,347,797	6,347,797
Pupil Transportation	255.107	-	75,607	-	75,607	75,607
Breakfast Program	255.344	-	876	-	876	876
Per Pupil Adjustment Aid	255.925	-	72,500	-	72,500	72,500
Payment In Lieu Taxes		-	37,655	-	37,655	37,655
Exempt Computer Aid		(6,812)	6,812	6,042	6,042	6,042
Total Wisconsin Department of Public Instruction		(119,260)	7,180,382	122,767	7,183,889	7,183,889
<b>TOTAL STATE AWARDS</b>		<b>\$ (119,260)</b>	<b>\$ 7,180,382</b>	<b>\$122,767</b>	<b>\$7,183,889</b>	<b>\$ 7,183,889</b>

See notes to the schedules of expenditures of federal and state financial assistance.

**SCHOOL DISTRICT OF CAMPBELLSPORT**

**NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AND STATE FINANCIAL ASSISTANCE  
For the Year Ended June 30, 2013**

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**NOTE 1 - BASIS OF PRESENTATION**

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

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**NOTE 2 - SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM**

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2012-2013 eligible costs under the State Special Education Program are \$1,853,996.

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**NOTE 3 - FOOD DISTRIBUTION**

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Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

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Ann Kropp, CPA, CMA  
Jeffrey Kropp, CPA

Independent Auditor's 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

Board of Education  
School District of Campbellsport  
Campbellsport, 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 District, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 12, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 13-1 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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*.

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Accounting Workshop SC*

Accounting Workshop, SC  
September 12, 2013

ACCOUNTING WORKSHOP, SC  
CERTIFIED PUBLIC ACCOUNTANTS  
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Ann Kropp, CPA, CMA  
Jeffrey Kropp, CPA

Independent Auditor's Report On Compliance For  
Each Major Program and On Internal Control  
Over Compliance Required by OMB Circular A-133

Board of Education  
School District of Campbellsport  
Campbellsport, Wisconsin

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

We have audited the compliance of the School District of Campbellsport ("District") with the types of compliance requirements described in the United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the State Single Audit Guidelines, issued by the Wisconsin Department of Administration that are applicable to each of its major federal and state programs for the year ended June 30, 2013. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal and State Program***

In our opinion, the 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 major federal and state programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

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

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

*A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 13-1 to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Accounting Workshop SC*

Accounting Workshop, SC  
September 12, 2013



**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2013**

**Section I - Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financing reporting:  
 Material weakness identified? \_\_\_\_\_ yes          X     no

Significant deficiency(ies) identified  
 not considered to be material weaknesses?     X     yes      \_\_\_\_\_ none reported

Noncompliance material to the  
 financial statements? \_\_\_\_\_ yes          X     no

*Federal Awards*

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

Significant deficiency(ies) identified  
 not considered to be material weaknesses? \_\_\_\_\_ yes          X     none reported

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

Any audit findings disclosed that are  
 required to be reported in accordance with  
 Circular A-133 Section .510(1)? \_\_\_\_\_ yes          X     no

Identification of major federal programs

CFDA Number	Name of Federal Program or Cluster
84.367	Title 2A
84.010	Title 1
93.778	Medical Assistance

Dollar threshold used to distinguish Type A  
 and Type B Programs \$300,000

Auditee qualified as a low risk auditee?     X     yes      \_\_\_\_\_ no

**SCHOOL DISTRICT OF CAMPBELLSPORT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**June 30, 2013**

*State Awards*

Internal control over financial reporting:

Material weakness identified?	_____ yes	_____ X _____ no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____ yes	_____ X _____ no

Type of auditor's report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with <i>State Single Audit Guidelines</i> ?	_____ yes	_____ X _____ no
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Identification of major state programs:

State Number	Name of State Program or Cluster
255.101	Special Education and School Age Parents
255.201	Equalization Aids

**Section II - Financial Statement Findings**

13-1 Preparation of Financial Statements

Condition: The audit organization prepared the financial statements and notes to financial statements.

Criteria: Professional standards prohibit the audit organization from preparation of financial statements and notes without implementing safeguards.

Cause: Management and the accounting staff have adequate knowledge of governmental accounting and interim reporting, however, they lack the knowledge to prepare GAAP financial statements and note disclosures.

Effect: Undetected errors or irregularities could occur.

Recommendation: We recommend management continue using external sources for preparation of the financial statements and note disclosures as qualified district personnel are unavailable.

Response: The District intends to continue using external sources for financial statement and note disclosure preparation.

**Section III - Federal and State Award Findings and Questioned Costs**

None.