

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2015

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SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

AUDITED FINANCIAL STATEMENTS

Year Ended June 30, 2015

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Independent Auditors' Report

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2015, and the respective changes in financial position, 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 required supplementary 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 financial information listed in the table of contents as other supplementary information, and the accompanying schedules of expenditures of federal awards and of expenditures of state awards are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State Single Audit Guidelines is also not a required part of the basic financial statements.

The financial information listed in the table of contents as other supplementary information, 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Change in Accounting Principle

As discussed in Notes 1.I and 13 to the financial statements, during the year ended June 30, 2015, the District adopted new accounting guidance, GASB Statement 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

November 18, 2015
Milwaukee, Wisconsin

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

To the Board of Education
Seymour Community School District

The discussion and analysis of the Seymour Community School District's FY 2015 financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on school district financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is available. It should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The assets plus deferred outflows of the District exceeded liabilities at the close of fiscal 2015 by \$29,736,421 (*net position*). For the year, net position increased by \$652,822. The District's proportionate share of the net pension asset for the Wisconsin Retirement System (WRS), as required by GASB Statement No. 68, is recognized by this net position.

The District completed the year with a general fund balance of \$4,387,687, up from last year's ending fund balance of \$4,207,238. The general fund had an increase in fund balance of \$180,449.

The following events took place during fiscal 2015.

- All employees eligible for the Wisconsin Retirement System are required to contribute 50% toward their retirement portion.
- Property values fell for a fifth consecutive year in the district.
- Overall enrollment has been falling.
- The District established Fund 73 in 2011 to address the Other Post-Employment Benefits (OPEB) showing net position at \$2,471,410 as of June 30, 2015.
- For the past 20 years, the District has been among the state's lower spending (9th decile).
- The district opened an on-site health clinic for employees and dependents covered by district health insurance policy.
- Health insurances premiums remained frozen for the past three years.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

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 Position and Statement of Activities* provide information on a district-wide basis. The 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 financial 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.

The major features of the District's financial statements, including the activities reported and the type of information contained, is shown in the following table.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Management Discussion & Analysis

June 30, 2015

Major Features of the District-wide and Fund Financial Statements

	District-wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire district (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instruction, support services, debt service, capital projects, food service and community services.	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	<ul style="list-style-type: none"> • Statement of Net Position. • Statement of Activities. 	<ul style="list-style-type: none"> • Balance Sheet. • Statement of Revenues, Expenditures and Changes in Fund Balance. 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position. • Statement of Changes in Fiduciary Net Position.
Basis of accounting and measurement focus	<p>Accrual accounting.</p> <p>Economic resources focus.</p>	<p>Modified accrual accounting.</p> <p>Current financial resources focus.</p>	<p>Accrual accounting.</p> <p>Economic resources focus.</p>
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 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; expenditures when goods or services have been received and the related liability are due and payable.	All additions or deductions during the year, regardless of when cash is received and paid.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Management Discussion & Analysis

June 30, 2015

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. In 2015, the District adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68). This statement requires the District to recognize its proportionate share of the net pension asset or liability, deferred outflows and deferred inflows of resources, and related expenses from its participation in the Wisconsin Retirement System. The result of this statement includes recognizing a net pension asset for the defined benefit plan and related deferred outflows of resources. The effect of implementing this statement resulted in a restatement of beginning net position as detailed in Notes 7 and 13 to the financial statements.

The statement of activities reports all revenues and expenses used to support the District. The statement of net position reports all assets, deferred outflows of resources, liabilities, and deferred inflows of resources available to support District activities. The two district-wide statements report the District's *net position* and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, are one way to measure the District's overall financial position. Increases or decreases in the District's net position 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 one activity:

- *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, 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 kinds 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 future basic services. Governmental funds statements provide a detailed short-term view that helps determine whether 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.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

Fund Financial Statements (Continued)

- *Fiduciary funds* – The District serves as a trustee, or fiduciary, for 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.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Table 1, below, provides a summary of the District's net position for the year ended June 30, 2015 compared to 2014.

Table 1
Condensed Statement of Net Position

	<u>2014</u>	<u>2015</u>	<u>Percentage Change 2014-2015</u>
Assets			
Current and other assets	\$ 6,808,040	\$ 6,588,438	
Net pension asset	---	2,299,268	
Noncurrent assets	<u>32,407,865</u>	<u>32,467,444</u>	
Total assets	39,215,905	41,355,150	5.5%
Deferred Outflow of Resources			
Deferred outflows related to pensions	<u>---</u>	<u>1,994,866</u>	
Liabilities			
Current liabilities	2,479,318	1,996,656	
Noncurrent liabilities	<u>11,928,139</u>	<u>11,616,939</u>	
Total liabilities	<u>14,407,457</u>	<u>13,613,595</u>	-5.5%
Net position			
Net invested in capital assets	21,087,865	21,602,444	
Restricted	587,592	4,892,725	
Unrestricted	<u>3,132,991</u>	<u>3,241,252</u>	
Total net position	<u>\$ 24,808,448</u>	<u>\$ 29,736,421</u>	19.9%

Note: 2014 has not been restated for the 2015 implementation of GASB68.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table 2 provides summarized operating results and their impact on net position.

Table 2
Changes in Net Position from Operating Results

	<u>2014</u>	<u>2015</u>	<u>Percentage Change 2014-2015</u>
Revenues			
Program revenues			
Charges for services	\$ 1,261,019	\$ 1,177,683	
Operating grants & contributions	2,467,404	2,519,279	
General revenues			
Property taxes	6,556,281	6,548,495	
State formula aid	17,892,495	17,909,146	
Interest	2,647	3,230	
Insurance proceeds	43,283	38,734	
Other	181,020	433,686	
Total revenues	<u>28,404,149</u>	<u>28,630,253</u>	0.8%
Expenses			
Instruction	16,515,475	15,284,481	
Pupil & instructional services	3,371,550	3,413,253	
Administration & finance	1,579,557	1,595,944	
Maintenance & operations	2,239,670	3,271,300	
Transportation	1,112,254	1,154,464	
Other support services	498,915	566,069	
Interest on debt	509,260	473,063	
Other	2,280,646	2,218,857	
Total Expenses	<u>28,107,327</u>	<u>27,977,431</u>	-0.5%
Prior Period Adjustment	<u>(392,054)</u>	<u>4,275,151</u>	
Increase (decrease) in net position	\$ <u>(95,232)</u>	\$ <u>4,927,973</u>	

The District relies primarily on property taxes (22.9% of total governmental revenues) and state and federal unrestricted aid (62.6%) to fund governmental activities.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Table 3 presents the cost of the 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.

Table 3
Net Cost of Governmental Activities

	Net Cost of Services		Percentage
	2014	2015	Change 2014-2015
Expenses			
Instruction	\$ 14,078,568	\$ 12,899,589	-8.4%
Pupil & instructional services	3,288,442	3,318,435	0.9%
Administration & finance	1,579,557	1,595,944	1.0%
Maintenance & operations	2,233,602	3,266,840	4.6%
Transportation	1,009,888	1,054,063	4.4%
Other support services	498,915	566,069	13.5%
Interest on debt	509,260	473,063	-7.1%
Other	1,180,672	1,106,466	-6.3%
Total Expenses	<u>\$ 24,378,904</u>	<u>\$ 24,280,469</u>	<u>-0.4%</u>

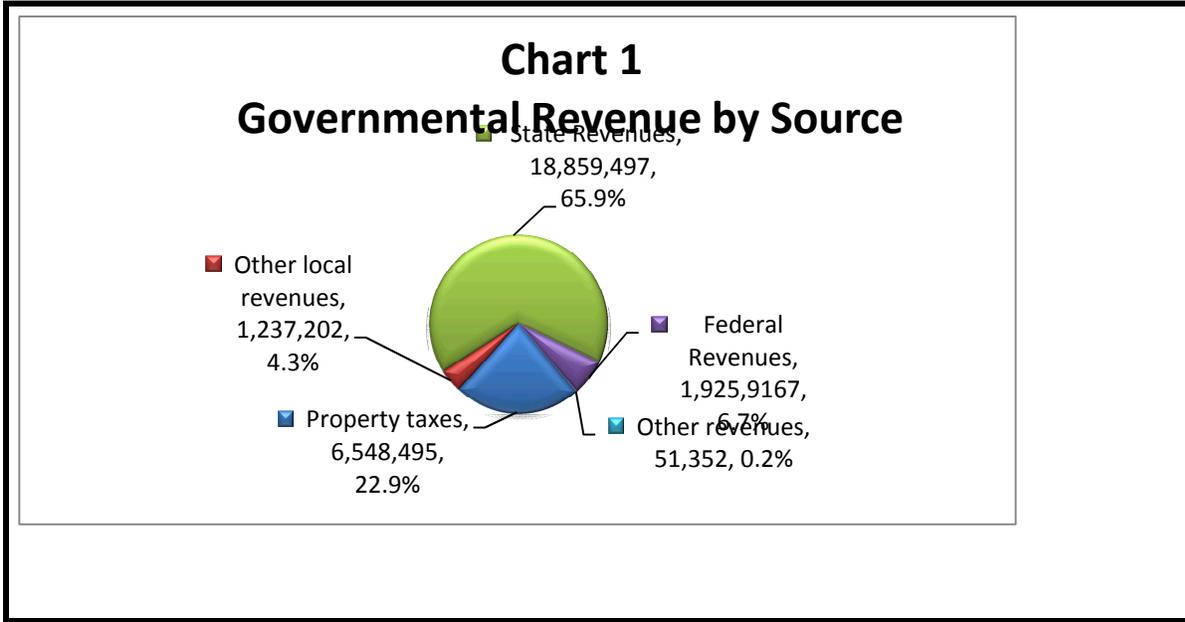
The cost of all governmental activities this year was \$27,977,431. Charges for services paid for \$1,177,683 of costs. Federal and State grants contributed \$2,519,279. The net cost of governmental activities \$24,280,469 was financed primarily from property taxes \$6,548,495 and State/Federal aid \$17,909,146.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

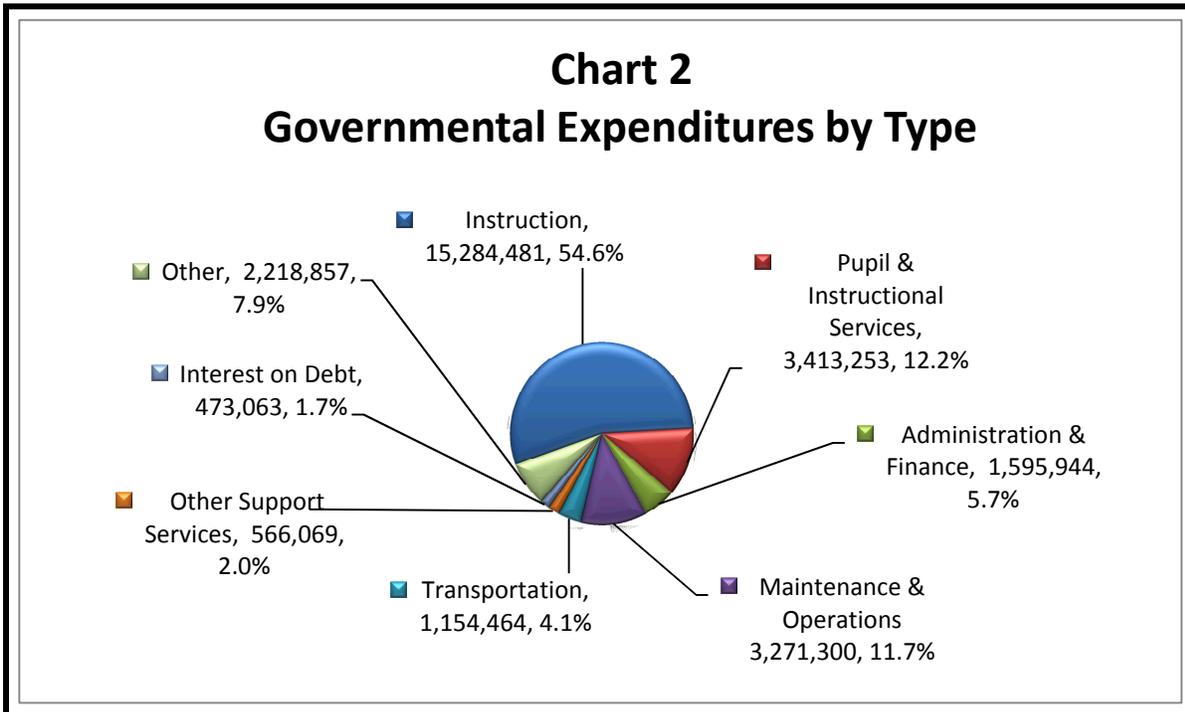
Management Discussion & Analysis
June 30, 2015

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The composition of governmental revenues by source is illustrated below in Chart 1.



The composition of governmental expenditures by type is illustrated below in Chart 2.



SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

FINANCIAL ASPECTS OF THE DISTRICT'S FUNDS

The District completed the year with a general fund balance of \$4,387,687 up from last year's ending fund balance of \$4,207,238.

- The general fund had an increase in fund balance of \$180,449.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reviews an interim budget in May for the subsequent year (beginning July 1st). Consistent with current state statutes and regulations an *original* budget is adopted in October following determination of official enrollment and certification of states aids. Generally, the original budget is not significantly modified. The District modified its original budget in 2014-15 to reflect:

- Modifications in several state and federal grants
- Reallocation of expenditures to offset additional State and Federal funds in grants and aid

While the District's original budget for the general fund anticipated that expenditures would equal revenues, actual results for the year show revenue and other financing uses exceeding expenses by \$180,449.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2015, the District had invested \$53,370,535 in capital assets, including buildings; sites and equipment (see Table 4). Total accumulated depreciation on these assets was \$20,903,091. Asset acquisitions for governmental activities totaled \$1,464,132. The District recognized depreciation expense of \$1,404,553. (Detailed information about capital assets can be found in Note 4 to the financial statements.)

Table 4
Capital Assets

	<u>Governmental Activities</u>		<u>Percentage</u>
	<u>2014</u>	<u>2015</u>	<u>Change</u>
			<u>2014-2015</u>
Land	\$ 1,199,100	\$ 1,199,100	0.0%
Buildings	46,685,553	47,758,168	2.3%
Equipment	4,032,250	4,413,267	9.5%
Accumulated depreciation	(19,509,038)	(20,903,091)	-7.1%
Net capital assets	<u>\$ 32,407,865</u>	<u>\$ 32,467,444</u>	0.2%

Long-term Debt

At year-end, the District had \$10,865,000 of existing general obligation long-term debt.

Table 5
Outstanding Long-term Obligations

	<u>Total School District</u>		<u>Percentage</u>
	<u>2014</u>	<u>2015</u>	<u>Change</u>
			<u>2014-2015</u>
General obligation debt	\$ 11,320,000	\$ 10,865,000	-4.0%
Other post-retirement liability	1,050,275	1,131,869	7.8%
Total	<u>\$ 12,370,275</u>	<u>\$ 11,996,869</u>	-3.0%

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.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Management Discussion & Analysis
June 30, 2015

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

- The District expects to have steady enrollment at the middle/high school over the next few years while reductions are predicted to occur at the elementary grades in Seymour.
- The number of students coming to and leaving the District through open enrollment continues to increase, and the overall ratio of Open Enrollment Ins and Open Enrollment Outs is beginning to decrease.
- Health care costs will create the need to consider negotiated adjustments to the health insurance plan going forward. It is expected rising medical costs will continue to drive health insurance costs faster than inflation as measured by the CPI index.
- The District carries an outstanding "AA-" long-term credit rating from Standard and Poor's. The District maintains to have a very strong capacity to meet financial commitments.

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 John Kasha, Business Manager, Seymour Community School District (920) 833-2304, 10 Circle Drive, Seymour, WI 54165

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Statement of Net Position
June 30, 2015

	Governmental Activities
Assets:	
Current assets:	
Cash and investment	\$ 3,734,208
Taxes receivable	1,934,611
Accounts receivable	351,317
Due from other governments	568,302
Total current assets	6,588,438
Noncurrent assets:	
Net pension asset	2,299,268
Capital assets:	
Nondepreciable	1,199,100
Depreciable, net of accumulated depreciation	31,268,344
Net capital assets	32,467,444
Total noncurrent assets	34,766,712
Total assets	41,355,150
Deferred Outflows of Resources:	
Deferred outflows related to pensions	1,994,866
Liabilities:	
Accounts payable	10,683
Withholdings and related district fringes payable	605,889
Accrued interest	152,437
Accrued salaries	16,713
Claimed vested benefits currently payable	51,031
Due to employee trust fund	701,114
Deposits payable	24,449
Unearned revenues	19,340
Long-term liabilities:	
Long-term debt obligations due within one year	415,000
Long-term debt obligations due in more than one year	10,450,000
Long-term post-employment benefits due in more than one year	1,131,869
Unamortized premium on advance refunding	35,070
Total liabilities	13,613,595
Net Position:	
Net investment in capital assets	21,602,444
Restricted for:	
WRS Pension	4,294,134
Debt service	251,411
Food service	334,050
Other activities	13,130
Unrestricted	3,241,252
Total net position	\$ 29,736,421

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Statement of Activities
Year Ended June 30, 2015

	Program Revenues			Net
Expenses	Charges for	Services	Operating	(Expenses)
			Grants and	Revenues and
			Contributions	Changes in
				Net Position
Governmental activities:				
Instruction:				
Regular instruction	\$ 10,926,787	\$ 601,586	\$ 503,530	\$ (9,821,671)
Special education instruction	2,343,794	---	1,231,541	(1,112,253)
Vocational instruction	718,408	---	---	(718,408)
Other instruction	1,295,492	48,235	---	(1,247,257)
Total instruction	15,284,481	649,821	1,735,071	(12,899,589)
Support services:				
Pupil services	1,334,484	---	---	(1,334,484)
Instructional staff services	2,078,769	---	94,818	(1,983,951)
Administration services	1,595,944	---	---	(1,595,944)
Operation and maintenance of plant	3,271,300	4,460	---	(3,266,840)
Pupil transportation	1,154,464	---	100,401	(1,054,063)
Central services	47,741	---	---	(47,741)
Other support services	566,069	---	---	(566,069)
Community services	98,385	43,843	---	(54,542)
Food service	1,048,870	479,559	588,989	19,678
Interest on long-term debt	473,063	---	---	(473,063)
Non-program transactions	2,782	---	---	(2,782)
Unallocated depreciation**	1,021,079	---	---	(1,021,079)
Total support services	12,692,950	527,862	784,208	(11,380,880)
 Total school district	 \$ 27,977,431	 \$ 1,177,683	 \$ 2,519,279	 (24,280,469)
 General revenues:				
Taxes:				
Property taxes, levied for general purposes				5,654,495
Property taxes, levied for debt service				845,000
Property taxes, levied for specific purposes				49,000
Other taxes				2,746
Federal and state aid not restricted to specific purposes				
General				17,909,146
Other				370,799
Interest and investment earnings				3,230
Insurance proceeds				38,734
Miscellaneous				60,141
				652,822
Changes in net position				652,822
Net position - beginning of year				24,808,448
Change in accounting principle				4,275,151
Net position - beginning of year as adjusted				29,083,599
 Net position - end of year				 \$ 29,736,421

**This amount excludes the depreciation that is included in the direct expenses of the various programs.

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

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

**Balance Sheet
Governmental Funds**

June 30, 2015

	<u>General</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 2,939,924	\$ 794,284	\$ 3,734,208
Taxes receivable	1,934,611	---	1,934,611
Accounts receivable	351,317	---	351,317
Due from other funds	32,826	2,487	35,313
Due from other governments	524,453	43,849	568,302
Total assets	<u>\$ 5,783,131</u>	<u>\$ 840,620</u>	<u>\$ 6,623,751</u>
Liabilities and Fund Balances:			
Liabilities			
Accounts payable	\$ 10,683	\$ ---	\$ 10,683
Withholdings and related district fringes payable	594,023	11,866	605,889
Accrued payroll	11,658	5,055	16,713
Claimed vested benefits currently payable	51,031	---	51,031
Due to other funds	703,600	32,826	736,426
Deposits payable	24,449	---	24,449
Unearned revenues	---	19,340	19,340
Total liabilities	<u>1,395,444</u>	<u>69,087</u>	<u>1,464,531</u>
Fund Balances			
Restricted	---	598,591	598,591
Assigned	---	172,942	172,942
Unassigned	4,387,687	---	4,387,687
Total fund balances	<u>4,387,687</u>	<u>771,533</u>	<u>5,159,220</u>
Total liabilities and fund balances	<u>\$ 5,783,131</u>	<u>\$ 840,620</u>	<u>\$ 6,623,751</u>

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

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position**

June 30, 2015

Total fund balances - governmental funds \$ 5,159,220

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds:

Cost of the assets	\$ 53,370,535	
Accumulated depreciation	<u>(20,903,091)</u>	32,467,444

The District's proportionate share of the net pension asset at WRS is reported as an asset on the statement of net position, but is not reported in the governmental funds. 2,299,268

The cumulative net effect of past years contributions less current year expenses for annual contributions to fund their post-employment benefit liability has resulted in a liability. The post-employment benefit liability is not currently payable and this not reported in the governmental funds. (1,131,869)

Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds. 1,994,866

Long-term liabilities and related items, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the government funds. Long-term liabilities at year-end consist of:

Bonds payable	10,865,000	
Unamortized premium on advance refunding	<u>35,070</u>	(10,900,070)

Accrued interest payable on the bonds is not due and payable in the current period and therefore is not reported as a liability in the funds (152,438)

Total net position - governmental activities \$ 29,736,421

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

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2015

	<u>General</u>	<u>Non-major Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Local	\$ 5,815,684	\$ 1,454,321	\$ 7,270,005
Interdistrict payments within Wisconsin	501,879	---	501,879
Intermediate sources	13,813	---	13,813
State	18,833,056	26,441	18,859,497
Federal	1,275,199	650,716	1,925,915
Other	51,071	281	51,352
Total revenues	<u>26,490,702</u>	<u>2,131,759</u>	<u>28,622,461</u>
Expenditures:			
Instruction:			
Current	14,795,528	122,153	14,917,681
Interdistrict	893,639	---	893,639
Capital outlay	439,539	---	439,539
Support Services:			
Current	9,116,881	1,109,005	10,225,886
Capital outlay	985,093	39,500	1,024,593
Debt service	5,779	929,269	935,048
Total expenditures	<u>26,236,459</u>	<u>2,199,927</u>	<u>28,436,386</u>
Excess (deficiency) of revenues over expenditures	254,243	(68,168)	186,075
Other Financing Sources (uses):			
Operating transfers in	---	73,794	73,794
Operating transfers out	(73,794)	---	(73,794)
Total other financing sources (uses)	<u>(73,794)</u>	<u>73,794</u>	<u>---</u>
Net change in fund balances	180,449	5,626	186,075
Fund Balances - Beginning of year	<u>4,207,238</u>	<u>765,907</u>	<u>4,973,145</u>
Fund Balances - End of year	<u>\$ 4,387,687</u>	<u>\$ 771,533</u>	<u>\$ 5,159,220</u>

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

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

**Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities**

Year Ended June 30, 2015

Total net change in fund balances - governmental funds \$ 186,075

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses:

Depreciation expense	\$ (1,404,553)	
Capital outlays	<u>1,464,132</u>	59,579

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:

Bonds payable		455,000
---------------	--	---------

In the statement of activities post-employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

(81,594)

Amortization reduces the balance of the respective liability. The amortization is an expenditure in the statement of net position, but is not shown in the governmental funds.

Amortization of premium on advance refunding		7,794
--	--	-------

In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

Cost of benefits earned net of employee contributions	(882,308)	
District pension contributions	<u>901,291</u>	18,983

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

6,985

Change in net position of governmental activities \$ 652,822

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

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Statement of Fiduciary Net Position

June 30, 2015

	<u>Private Purpose Trusts</u>	<u>Employee Benefit Trusts</u>	<u>Agency Fund</u>
Assets:			
Cash	\$ 23,637	\$ ---	\$ 94,412
Investments	658,847	1,770,296	---
Interest receivable	2,298	---	---
Due from other funds	---	701,114	---
Total assets	<u>\$ 684,782</u>	<u>\$ 2,471,410</u>	<u>\$ 94,412</u>
Liabilities and Net Position:			
Liabilities:			
Due to student groups	---	---	94,412
Net Position:			
Nonspendable	626,578	---	---
Restricted	58,204	2,471,410	---
Total net position	<u>684,782</u>	<u>2,471,410</u>	<u>---</u>
Total liabilities and net position	<u>\$ 684,782</u>	<u>\$ 2,471,410</u>	<u>\$ 94,412</u>

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2015

	<u>Private Purpose Trusts</u>	<u>Employee Benefit Trusts</u>
Additions:		
Interest	\$ 6,894	\$ 53,804
Gifts	2,100	---
Employer contributions to employee benefit trust	---	1,101,317
Employee contributions to employee benefit trust	---	32,864
Total additions	<u>8,994</u>	<u>1,187,985</u>
Deductions:		
Trust fund disbursements	<u>10,661</u>	<u>814,364</u>
Change in net position	(1,667)	373,621
Net position - June 30, 2014	<u>686,449</u>	<u>2,097,789</u>
Net position - June 30, 2015	<u>\$ 684,782</u>	<u>\$ 2,471,410</u>

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015

1. Summary of Significant Accounting Policies

A. Introduction

The Seymour Community School District ("District") is organized as a common school district. The District, governed by a seven-member elected school board, is fiscally independent with taxing and borrowing powers. Services provided by the District are primary and secondary education and special education.

The financial statements of the Seymour Community School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the District are discussed below.

B. Component Units

GAAP require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the general purpose financial statements. The District has no component units, and it is not included in any other governmental reporting entity.

C. Basis of Presentation

District-Wide Statements

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

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Fund Financial Statements

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

The District reports the following major governmental fund:

General Fund - The General Fund is the operating fund of the District. It is used to account for all financial resources of the District except those required to be accounted for in other funds. This fund includes activities associated with providing educational programs for students with disabilities.

The District accounts for assets held as an agent for various student and parent organizations in a fiduciary agency fund. The District accounts for fiduciary activities for scholarships to fund higher education in a private purpose trust fund. The District accounts for fiduciary activities for employee post-employment benefits in an employee benefit trust fund.

D. Measurement Focus and Basis of Accounting

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

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

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

1. Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

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

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

F. Receivables and Payables

Property taxes are recognized as revenues in the year for which they are budgeted. The District tax levy is certified in November of the current fiscal year for collection by the taxing municipalities based on the past October 1 full or "equalized" taxable property values. The District is paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. Under the Wisconsin Statutes, Outagamie and Shawano County purchases the outstanding property taxes of the District in August of each year. This statutory guarantee assures the District full collection of all property taxes within sixty days of its year end, and hence, the availability of these funds to finance expenditures of the fiscal year for which the taxes were levied.

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

G. Interfund Transactions

The current portion of lending/borrowing arrangements between funds is identified as due to/from other funds. The noncurrent portion of outstanding balances between funds is reported as advances to/from other funds. Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources. The District does not have any advances between funds.

Individual fund transfers and interfund receivables and payable activity for the year ending June 30, 2015 are as follows:

<u>Purpose</u>	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<u>Due to/from:</u>			
Employee benefit trust	Benefit Trust	General	\$ 701,114
Implicit rate subsidy	Other Special Projects	General	415
Implicit rate subsidy	Food Service	General	1,926
Implicit rate subsidy	Community Service	General	146
General operations	General	Other Special Projects	32,826
			<u>\$ 736,427</u>
<u>Transfers:</u>			
Debt payments	Debt Service	General	<u>\$ 73,794</u>

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

1. Summary of Significant Accounting Policies (Continued)

H. Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Maintenance and repair costs are charged to expenses as incurred and betterments are capitalized as assets. Upon disposal of land, buildings and equipment, a gain or loss is reflected in the statement of activities. Property and equipment and related depreciation expense are not reflected in the Governmental Fund Financial Statements.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 2,000	Straight-line	75 years
Equipment and furniture	2,000	Straight-line	5 - 20 years

I. Adoption of New Accounting Guidance

The District implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*. See footnote 7 and 13 for additional information.

J. Deferred Outflows and Inflows of Resources

Under GASB, in addition to assets and liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category. Changes in the net pension asset not included in pension expense are required to be reported as deferred outflows of resources. See footnote 7 for additional information.

K. Net Position

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

The District applies restricted resources when expense is incurred for purposes for which both restricted and unrestricted net position is available.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

1. Summary of Significant Accounting Policies (Continued)

L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The District's policy does not allow vacation to accumulate. Sick leave may be accumulated to a maximum of seventy days for support staff and teachers. Unused accumulated sick pay benefits are forfeited upon retirement or termination of employment. These benefits are recorded as expenditures in the year used.

M. Other Assets

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Prepaid insurance represents payments made by the District for which benefits extend beyond June 30th and have not yet been earned by the recipient.

N. Fund Balance

The GASB has defined the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- *Nonspendable* - amounts that cannot be spent either because they are not in spendable form and cannot be converted to cash or because they are legally or contractually required to be maintained intact.
- *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- *Committed* - amounts that can be used only for specific purposes determined by a formal action of the School Board. The School Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through the same type of action it employed to previously commit those amounts.
- *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the School Board's Finance Committee is authorized to assign funds. The intent of the assigned funds may change with appropriate approvals as decided by the Director of Business Services.
- *Unassigned* - all other spendable amounts.

Order of Fund Balance Spending Policy:

The District has established the following order of spending when various funding sources exist: (1) Restricted, (2) Committed, (3) Assigned, (4) Unassigned.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

1. Summary of Significant Accounting Policies (Continued)

O. Estimates

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

P. Subsequent Event

Management has evaluated all subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (November 18, 2015). There were no subsequent events that required recognition or disclosure.

2. Cash and Investments

Cash and equivalents and investments as shown on the District's statement of net position are subject to the following risks:

	Amount	Risks
Cash and investments		
Petty cash	\$ 1,440	
Demand deposits	607,830	Custodial
Certificates of deposit	671,347	Custodial
Stocks and bonds	1,770,296	Interest rate and custodial
Local government investment pool	3,230,487	Custodial
Total cash and investments	\$ 6,281,400	

The District's cash and equivalents are reported in the financial statements as follows:

Statement of net position:	
Cash and investments	\$ 3,734,208
Statement of fiduciary net position:	
Cash	118,049
Investments	2,429,143
Total cash and investments	\$ 6,281,400

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

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Deposits and the Wisconsin Local Government Investment Pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000 per financial institution. 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 districts. Investments in the local government investment pool are covered under a surety bond issued by Financial Security Assurance, Inc. The bond insures against losses arising from principal defaults on substantially all types of securities acquired by the pool. The bond provides unlimited coverage on principal losses, reduced by any FDIC, SDGF insurance, and income on the investment during the calendar quarter a loss occurs.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

2. Cash and Investments (continued)

Custodial Risk – Deposits: Is the risk that, in the event of a financial institution failure, the District's deposits may not be returned to the District. The District's carrying value for demand deposits, including certificates of deposit and local government investment pool was \$4,509,664 at June 30, 2015 and the bank's carrying value was \$5,298,942 of which \$1,322,785 was fully insured, \$1,136,541 was collateralized by pledged securities, and \$2,839,616 was uninsured and uncollateralized. The District does not have a policy on custodial risk.

Custodial Risk – Investment: Is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have a policy on custodial risk.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state statutes. Interest rate risk is limited due to all investments having a maturity date of less than one year other than fixed rate certificates of deposits.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy minimized credit risk by limiting investments to the safest type of securities.

The LGIP does not have a credit quality rating. It is part of the State of Wisconsin Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The LGIP is not registered with the Securities and Exchange Commission, but operated under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Funds invested in the LGIP are due to the District on demand. The District has relied on data provided by the LGIP for the valuation of pooled investments.

Wisconsin Statute 66.0603 authorizes the District to invest in the following types of instruments:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association that is authorized to transact business in Wisconsin if the time deposit matures in not more than three years.
- Bonds or securities issued or guaranteed as to principal or interest by the federal government or by a commission, board, or other instrumentality of the federal government (U.S. Treasuries and U.S. agencies).
- Bonds or securities of any Wisconsin county, city, drainage district, technical college district, village, town, or school district.
- Bonds issued by a local exposition district, local professional baseball park district, or local professional stadium district created under subchapter III or IV of chapter 229 of the Wisconsin statutes or bonds issued by the University of Wisconsin Hospitals or Clinics Authority.
- Any security maturing in seven years or less of the acquisition date with either the highest or second highest rating category of a nationally recognized rating agency.
- Securities of open-end management investment companies or investment trusts if the portfolio is collateralized by bonds or securities, subject to various conditions and investment options.
- A local government investment pool, subject to certain conditions.

The District has adopted an investment policy which permits all investments allowed under the state statutes as described above.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

3. Short-Term Borrowing

On June 4, 2015, the District entered into a \$4,000,000 line of credit agreement with a maturity date of June 17, 2015. The interest rate on the line of credit was 1.43%. Interest for year ended June 30, 2015 was \$518. Line of credit borrowing at June 30, 2015 is as follows:

<u>Balance</u> <u>June 30, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2015</u>
\$ ---	\$ 1,000,000	\$ 1,000,000	\$ ---

4. Capital Assets

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

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
Capital assets not being depreciated:				
Sites	\$ 1,199,100	\$ ---	\$ ---	\$ 1,199,100
Capital assets being depreciated:				
Building and improvements	46,685,553	1,072,615	---	47,758,168
Equipment	4,032,250	391,517	10,500	4,413,267
Total capital assets being depreciated	50,717,803	1,464,132	10,500	52,171,435
Less accumulated depreciation	19,509,038	1,404,553	10,500	20,903,091
Total capital assets being depreciated, net of accumulated depreciation	31,208,765	59,579	---	31,268,344
Governmental activities capital assets, net of accumulated depreciation	\$ 32,407,865	\$ 59,579	\$ ---	\$ 32,467,444

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 211,578
Administration services	71,940
Operation and maintenance of plant	51,255
Food services	39,788
Transportation	8,913
Unallocated depreciation	1,021,079
Total depreciation for governmental activities	<u>\$ 1,404,553</u>

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

5. Long-Term Liabilities

Long-term obligations of the District are as follows:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Amounts due within one year
G.O. Bonds	\$ 11,320,000	\$ ---	\$ (455,000)	\$ 10,865,000	\$ 415,000

Total interest paid and expensed (including accrual) during the year for the year ended June 30, 2015 on long-term liabilities was \$474,269 and \$467,284, respectively.

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. The long-term debt will be retired by future property tax levies and resources accumulated in the Debt Service Fund.

General obligation debt at June 30, 2015 is comprised of the following individual issues:

Description	Issue Dates	Interest Rates (%)	Dates of Maturity	Original Indebtedness	Balance June 30, 2015
G.O. Refunding Bond	2/16/10	2.00 – 4.00%	9/1/2020	\$ 2,925,000	\$ 1,920,000
G.O. Refunding Bond	6/14/07	4.00 – 4.375%	3/1/2027	9,900,000	8,945,000
Total					\$ 10,865,000

The 2014 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$695,407,735. The legal debt limit and margin of indebtedness as of June 30, 2015, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (10% of \$695,407,735)	\$ 69,540,774
Deduct long-term debt applicable to debt margin	10,865,000
Margin of indebtedness	\$ 58,675,774

Aggregate cash flow requirements for the retirement of long-term principal and interest on June 30, 2015 follow:

Year Ended June 30,	Principal	Interest	Total
2016	\$ 415,000	\$ 457,319	\$ 872,319
2017	610,000	444,219	1,054,219
2018	780,000	422,594	1,202,594
2019	810,000	393,319	1,203,319
2020	850,000	359,381	1,209,381
2021 - 2025	5,050,000	1,196,563	6,246,563
2026 - 2027	2,350,000	155,311	2,505,311
Totals	\$ 10,865,000	\$ 3,428,706	\$ 14,293,706

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

5. Long-Term Liabilities (continued)

Certain outstanding debt of the District has been defeased by placing the proceeds of refunding bonds in irrevocable escrow accounts. The principal and interest amounts in escrow provide cash flows sufficient to pay principal and interest of the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the District's financial statements. The balance of defeased bonds outstanding at June 30, 2015 is \$170,000.

6. Fund Balances

As of June 30, 2015, fund balance components other than unassigned fund balances consist of the following:

	<u>Restricted</u>		<u>Assigned</u>
Special revenue trust	\$ 13,130	\$	---
Debt service	251,411		---
Food service	334,050		---
Community service	---		<u>172,942</u>
Total	<u>\$ 598,591</u>	\$	<u>172,942</u>

7. Defined Benefit Pension Plan

Plan Description

The Wisconsin Retirement System (WRS) is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Vesting

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

7. Defined Benefit Pension Plan (Continued)

Benefits Provided

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

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

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

WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

The Core and Variable annuity adjustments granted during recent years are as follows:

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

7. Defined Benefit Pension Plan (Continued)

Contributions

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

During the reporting period (calendar year 2014), the WRS recognized \$901,291 in contributions from the employer.

Contribution rates as of June 30, 2015 are:

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

Pension Liabilities, Pension Expense and Deferred Outflows of Resources

At June 30, 2015, the District reported an asset of \$2,299,268 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was 0.0936%, which was a decrease of 0.0006% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$882,308.

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

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 333,322
Changes in assumptions	---
Net difference between projected and actual earnings on pension plan investments	1,113,417
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,284
Employer contributions subsequent to the measurement date	538,843
Total	\$ 1,994,866

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

7. Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expense and Deferred Outflows of Resources (Continued)

The amount of \$538,843 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>
2016	\$ 286,291
2017	286,291
2018	286,291
2019	286,291
2020	286,291
Thereafter	24,568

Actuarial Assumptions

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

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

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

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

7. Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

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

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

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
District's proportionate share of the net pension asset	\$ 6,486,630	\$ (2,299,268)	\$ (9,238,015)

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

7. Defined Benefit Pension Plan (Continued)

Payables to the pension plan at June 30, 2015 were \$341,238. This represents contributions earned as of June 30, 2015, but for which payment was not remitted to the pension plan until subsequent to year-end.

8. Seymour Community School District Post-Employment Benefits Trust

The following information conforms to the requirements of Governmental Accounting Standards Board (GASB).

Description

The Seymour Community School District Post-Employment Benefits Trust is a trust set up by the District to accumulate funds for the payment of the District's OPEB liability relating to medical and dental insurance and retirement stipends. The trust does not require any employee or employer contributions. Employees participating in the OPEB benefit consisted of the following at July 1, 2014, the date of the latest actuarial valuation:

Retirees	44
Active	141
Number of participating employees	<u>185</u>

Funding Policy

OPEB

The District is required to provide contributions on a pay-as-you-go basis. Active plan members are not required to contribute toward these benefits. The Board of Education has established an irrevocable Employee Benefit Trust for funding the other post-employment benefit liability. Payments are expended in the general fund and the revenue is recorded in the Employee Benefit Trust Fund.

Annual OPEB Costs and Recognized Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

8. Seymour Community School District Post-Employment Benefits Trust (Continued)

Annual OPEB Costs and Recognized Obligation (Continued)

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	1,335,201
Interest on net OPEB obligation		57,765
Adjustment to annual required contribution		<u>(210,055)</u>
Annual OPEB cost (expense)		1,182,911
Contributions made		<u>(1,101,317)</u>
Change in net OPEB obligation		81,594
Net OPEB obligation (asset) – beginning of year		<u>1,050,275</u>
Net OPEB obligation (asset) – end of year	\$	<u><u>1,131,869</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation (asset)</u>
2013	\$ 1,352,471	97.30%	\$ 1,084,986
2014	1,335,644	98.98%	1,050,275
2015	1,182,911	82.48%	1,131,869

Funding Status and Funding Progress

The funded status of the OPEB and stipend benefits as of the most recent actuarial valuation date (July 1, 2014) and schedule of employer contributions can be found in the required supplementary information.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

8. Seymour Community School District Post-Employment Benefits Trust (Continued)

Actuarial Methods and Assumptions (Continued)

The accompanying schedules of employer contributions present trend information about the amounts contributed to the plan by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used to 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.

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	7/1/14
Actuarial cost method	Unit credit
Amortization method	6 year open level dollar
Remaining amortization period	6 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return*	5.00%
Projected payroll increases	3.00%
Medical care trend*	7.50% decreasing by 0.50% per year down to 6.50%, then by 0.10% per year down to 5.0%, and level thereafter
Dental care trend*	4.00%

* implicit in this rate is an assumed rate of inflation of 3.00%

9. Limitation on School District Revenues

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount is approved by a referendum. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt) authorized by either of the following:

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

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

10. Risk Management

The Seymour Community School 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.

11. Commitments and Contingencies

From time to time, the District is involved in legal actions, most of which normally occur in governmental operations. Legal actions are generally defended by the District's various insurance carriers, since most claims brought against the District are covered by insurance policies. In the opinion of District management, any legal actions and any other proceedings known to exist at June 30, 2015, are not likely to have a material adverse impact on the District's financial position.

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.

12. Self-Funded Insurance Program

On July 1, 2006, the District established a self-funded dental benefit plan for its employees. The Plan administrators, Delta Dental, Inc. (administrator), are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30.

Accounting and budgeting requirements for the Plan are established by the Wisconsin Department of Public Instruction. Currently, the Plan is accounted for in the General Fund of the District.

The District has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2015, the District has reported a liability of \$51,031, which represents reported and unreported claims which were incurred on or before June 30, 2015, but were not paid by the District as of that date. This amount consists of claims reported to the District by the Plan administrator of \$7,834 and claims reported to the Plan administrator but not the District of \$43,197. The amounts not reported to the District were determined by the Plan administrator. Changes in the claims liability for the year ended June 30, 2015 is as follows:

	<u>Year Ended</u> <u>June 30, 2015</u>
Estimated Claims Outstanding July 1, 2014	\$ 80,351
Current Year Claims and Changes in Estimates	164,478
Claim Payments	<u>(193,798)</u>
Estimated Claims Outstanding	<u><u>\$ 51,031</u></u>

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Financial Statements
June 30, 2015
(Continued)

13. Adjustment due to Change in Accounting Principle

An adjustment of \$4,275,151 has been made to increase June 30, 2014 net position. The adjustment was a result of implementing GASB 68. The adjustment was to establish beginning balances for the net pension asset and deferred outflows related to pensions for the WRS multi-employer defined benefit plan. The corresponding entry was as follows:

Net pension asset	\$ 3,715,220
Deferred outflows related to pensions	<u>559,931</u>
	<u>\$ 4,275,151</u>

REQUIRED SUPPLEMENTARY INFORMATION

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Budgetary Comparison Schedule

General Fund

Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget - Favorable (Unfavorable)
	Original	Final		Actual
Revenues:				
Local	\$ 5,793,320	\$ 5,793,320	\$ 5,815,684	\$ 22,364
Interdistrict payments within Wisconsin	503,317	503,317	501,879	(1,438)
Intermediate sources	10,903	10,903	10,813	(90)
State	18,180,703	18,229,045	18,232,689	3,644
Federal	575,847	666,819	695,186	28,367
Other	51,733	51,733	50,681	(1,052)
Total revenues	25,115,823	25,255,137	25,306,932	51,795
Expenditures:				
Instruction:				
Current	12,734,501	12,726,262	12,673,782	52,480
Interdistrict	858,569	858,569	847,426	11,143
Capital outlay	435,175	435,175	435,175	---
Support Services:				
Current	8,380,027	8,527,580	8,282,670	244,910
Capital outlay	985,093	985,093	985,093	---
Debt service	2,000	2,000	5,779	(3,779)
Total expenditures	23,395,365	23,534,679	23,229,925	304,754
Excess of revenues over expenditures	1,720,458	1,720,458	2,077,007	356,549
Other Financing Sources (uses):				
Operating transfers out	(1,720,458)	(1,720,458)	(1,896,558)	(176,100)
Total other financing sources (uses)	(1,720,458)	(1,720,458)	(1,896,558)	(176,100)
Net change in fund balances	---	---	180,449	180,449
Fund Balances - Beginning of year	4,207,238	4,207,238	4,207,238	---
Fund Balances - End of year	\$ 4,207,238	\$ 4,207,238	\$ 4,387,687	\$ 180,449

See Independent Auditors' Report and Notes to Required Supplementary Information.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Budgetary Comparison Schedule

Special Education Fund

Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Favorable
				(Unfavorable)
Revenues:				
Intermediate sources	\$ ---	\$ 3,000	\$ 3,000	\$ ---
State	601,752	601,752	600,367	(1,385)
Federal	669,265	669,265	580,013	(89,252)
Other	---	---	390	390
Total revenues	<u>1,271,017</u>	<u>1,274,017</u>	<u>1,183,770</u>	<u>(90,247)</u>
Expenditures:				
Instruction:				
Current	2,152,135	2,127,135	2,121,746	5,389
Interdistrict	46,916	46,916	46,213	703
Capital outlay	---	25,000	4,364	20,636
Support Services:				
Current	741,424	744,424	834,211	(89,787)
Total expenditures	<u>2,940,475</u>	<u>2,943,475</u>	<u>3,006,534</u>	<u>(63,059)</u>
(Deficiency) of revenues over expenditures	<u>(1,669,458)</u>	<u>(1,669,458)</u>	<u>(1,822,764)</u>	<u>(153,306)</u>
Other Financing Sources (uses):				
Operating transfers in	1,669,458	1,669,458	1,822,764	153,306
Total other financing sources (uses)	<u>1,669,458</u>	<u>1,669,458</u>	<u>1,822,764</u>	<u>153,306</u>
Net change in fund balances	---	---	---	---
Fund Balances - Beginning of year	---	---	---	---
Fund Balances - End of year	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

See Independent Auditors' Report and Notes to Required Supplementary Information.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Schedule of Proportionate Share of the Net Pension Asset

Year Ended June 30, 2015

Wisconsin Retirement System

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension asset	0.9361%
District's proportionate share of the net pension asset	\$ 2,299,268
District's covered-employee payroll	12,875,587
Net pension asset as a percentage of covered payroll	17.86%
Plan fiduciary net position as a percentage of total pension asset	102.74%

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

*GASB Pronouncement 67 & 68 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement is not required to be presented in this schedule.

Schedule of Contributions

Year Ended June 30, 2015

Wisconsin Retirement System

Last 10 Fiscal Years*

Contractually required contributions	\$ 901,291
Contributions in relation to the contractually required contributions	901,291
Contribution deficiency (excess)	---
District's covered-employee payroll	12,875,587
Contributions as a percentage of covered-employee payroll	7.00%

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

*GASB Pronouncement 67 & 68 requires the presentation of the last 10 prior fiscal years completed under this pronouncement. The fiscal years completed prior to the enactment of this pronouncement is not required to be presented in this schedule.

See Independent Auditors' Report and Notes to Required Supplementary Information.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Schedule of Funding Progress

Year Ended June 30, 2015

The funded status of the OPEB benefit as of the most recent actuarial valuation date (July 1, 2014) is as follows:

Actuarial Valuation Date	Actuarial Valuation of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2010	\$ ---	\$ 10,828,074	\$ 10,828,074	---	\$ 13,312,727	81.3%
July 1, 2012	\$ 1,448,291	\$ 10,140,980	\$ 8,692,689	14%	\$ 12,753,853	68.2%
July 1, 2014	\$ 2,097,789	\$ 7,356,340	\$ 5,258,551	29%	\$ 12,875,587	40.8%

The data presented in this schedule was taken from the report issued by the actuary, except the covered payroll data which was supplied by the District.

Schedule of Employer Contributions

Year Ended June 30, 2014

Actuarial Valuation Date	Annual Required Contribution	Actual Contribution	Percent Contributed
July 1, 2010	\$ 1,279,798	\$ 1,093,581	85%
July 1, 2012	\$ 1,282,329	\$ 1,247,758	97%
July 1, 2014	\$ 1,335,201	\$ 1,101,317	82%

See Independent Auditors' Report and Notes to Required Supplementary Information.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Required Supplementary Information
Year Ended June 30, 2015

1. Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1D to the financial statements; however, the District adopts a budget for the special education fund which is reported with the general fund in accordance with generally accepted accounting principles. An explanation of the differences between Revenues, Expenditures, and Other Financing Sources (Uses) for budgetary funds on budgetary fund basis and a GAAP general fund basis is summarized below:

	General Fund	Special Education Fund
Revenues		
Actual amounts (budgetary basis)	\$ 25,306,932	\$ 1,183,770
Reclassification of special education	1,183,770	(1,183,770)
Total Revenues (GAAP)	26,490,702	---
Expenditures		
Actual amounts (budgetary basis)	23,229,925	3,006,534
Reclassification of special education	3,006,534	(3,006,534)
Total Expenditures (GAAP)	26,236,459	---
Excess of Revenues Over (Under) Expenditures		
Actual amounts (budgetary basis)	2,077,007	(1,822,764)
Reclassification of special education	(1,822,764)	1,822,764
Excess of Revenues Over (Under) Expenditures (GAAP)	254,243	---
Other Financing Sources (Uses)		
Actual amounts (budgetary basis)	(1,896,558)	1,822,764
Reclassification of special education	1,822,764	(1,822,764)
Total Other Financing Sources (Uses) (GAAP)	(73,794)	---
Net Change in Fund Balance		
Actual amounts (budgetary basis and GAAP)	180,449	---
Fund Balance - Beginning of Year		
Actual amounts (budgetary basis and GAAP)	4,207,238	---
Fund Balance - End of Year		
Actual amounts (budgetary basis and GAAP)	\$ 4,387,687	\$ ---

Note B - Excess of Actual Expenditures Over Budget in Individual Funds

The following general fund functions had an excess of actual expenditures over budget for the year ended June 30, 2015. The excess expenditures were funded by larger than anticipated revenues and under expenditure in other areas.

General Fund:	
Undifferentiated curriculum	\$ 23,621
Vocational curriculum	9,653
Other special needs	20,623
School building administration	16,349
Debt services	3,779
Transfers to another fund	176,100
Other non-program transactions	182
 Special Education Fund:	
Pupil services	7,097
Business administration	117,996

Note C - WRS Information

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

OTHER SUPPLEMENTARY INFORMATION

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2015

	Special Revenue <u>Trust</u>	Other Special <u>Projects</u>	Food <u>Service</u>	Debt <u>Service</u>	Community <u>Service</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 13,130	\$ 2,444	\$ 348,288	\$ 251,411	\$ 179,011	\$ 794,284
Due from other funds	---	415	1,926	---	146	2,487
Due from other governments	---	32,826	11,023	---	---	43,849
Total assets	\$ 13,130	\$ 35,685	\$ 361,237	\$ 251,411	\$ 179,157	\$ 840,620
LIABILITIES AND FUND BALANCES						
Liabilities						
Withholdings and related district fringes payable	\$ ---	\$ 2,859	\$ 7,847	\$ ---	\$ 1,160	\$ 11,866
Accrued payroll	---	---	---	---	5,055	5,055
Due to other funds	---	32,826	---	---	---	32,826
Unearned revenues	---	---	19,340	---	---	19,340
Total liabilities	---	35,685	27,187	---	6,215	69,087
Fund Balances						
Restricted	13,130	---	334,050	251,411	---	598,591
Assigned	---	---	---	---	172,942	172,942
Total fund balances	13,130	---	334,050	251,411	172,942	771,533
Total liabilities and fund balances	\$ 13,130	\$ 35,685	\$ 361,237	\$ 251,411	\$ 179,157	\$ 840,620

See Independent Auditors' Report.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

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

Nonmajor Governmental Funds

Year Ended June 30, 2015

	<u>Special Revenue Trust</u>	<u>Other Special Projects</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Community Service</u>	<u>Total</u>
Revenues:						
Local	\$ 36,468	\$ ---	\$ 479,731	\$ 845,228	\$ 92,894	\$ 1,454,321
State	---	---	26,441	---	---	26,441
Federal	---	88,168	562,548	---	---	650,716
Other	---	---	149	---	132	281
Total revenues	<u>36,468</u>	<u>88,168</u>	<u>1,068,869</u>	<u>845,228</u>	<u>93,026</u>	<u>2,131,759</u>
Expenditures:						
Instruction:						
Current	33,985	88,168	---	---	---	122,153
Support Services:						
Current	1,115	---	1,009,491	---	98,399	1,109,005
Capital outlay	---	---	39,500	---	---	39,500
Debt service	---	---	---	929,269	---	929,269
Total expenditures	<u>35,100</u>	<u>88,168</u>	<u>1,048,991</u>	<u>929,269</u>	<u>98,399</u>	<u>2,199,927</u>
Excess (deficiency) of revenues over expenditures	1,368	---	19,878	(84,041)	(5,373)	(68,168)
Other Financing Sources (uses):						
Operating transfers in	---	---	---	73,794	---	73,794
Total other financing sources (uses)	<u>---</u>	<u>---</u>	<u>---</u>	<u>73,794</u>	<u>---</u>	<u>73,794</u>
Net change in fund balances	1,368	---	19,878	(10,247)	(5,373)	5,626
Fund Balances - Beginning of year	<u>11,762</u>	<u>---</u>	<u>314,172</u>	<u>261,658</u>	<u>178,315</u>	<u>765,907</u>
Fund Balances - End of year	<u>\$ 13,130</u>	<u>\$ ---</u>	<u>\$ 334,050</u>	<u>\$ 251,411</u>	<u>\$ 172,942</u>	<u>\$ 771,533</u>

See Independent Auditors' Report.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Agency Funds - Schedule of Changes in Assets and Liabilities

June 30, 2015

	<u>Balance</u>		<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>June 30, 2015</u>
ASSETS			
Cash	\$ 94,356	\$ 260,605	\$ 94,412
	\$ 94,356	\$ 260,605	\$ 94,412
LIABILITIES			
Due to student organizations:			
Elementary school	\$ 8,713	\$ 42,088	\$ 7,688
Middle school	12,278	28,261	10,417
High school	73,365	190,256	76,307
	\$ 94,356	\$ 260,605	\$ 94,412
Total liabilities	\$ 94,356	\$ 260,605	\$ 94,412

See Independent Auditors' Report.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Schedule of Expenditures of State Awards

Year Ended June 30, 2015

Awarding Agency Pass-Through Agency <u>Award Description</u>	State I.D. <u>Number</u>	Accrued or (Unearned) Revenue at <u>7/1/14</u>	<u>Receipts</u>	State Disbursements/ <u>Expenditures</u>	Accrued or (Unearned) Revenue at <u>6/30/15</u>
Wisconsin Department of Public Instruction					
Special education and school-age parents**	255.101	\$ ---	\$ 600,367	\$ 600,367	\$ ---
State school lunch	255.102	---	13,061	13,061	---
Common school fund library aid	255.103	---	94,818	94,818	---
Pupil transportation	255.107	---	100,401	100,401	---
Morning milk program	255.109	---	4,632	4,632	---
Equalization aids	255.201	315,937	17,295,556	17,288,570	308,951
Peer review and mentoring	255.301	---	---	25,000	25,000
School breakfast program	255.344	---	8,748	8,748	---
Tribal language revitalization grants	255.364	5,395	11,746	22,466	16,115
Educator effectiveness evaluation system	255.940	---	14,720	14,720	---
Per pupil aid	255.945	---	369,150	369,150	---
Passed through DePere School District					
Peer review and mentoring	255.301	11,856	11,856	---	---
Total state assistance		<u>\$ 333,188</u>	<u>\$ 18,525,055</u>	<u>\$ 18,541,933</u>	<u>\$ 350,066</u>

** Total DPI aidable expenditures for the year ended June 30, 2015 were \$2,292,288

See Independent Auditors' Report.

SEYMOUR COMMUNITY SCHOOL DISTRICT

Seymour, Wisconsin

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2015

Awarding Agency	Federal	Accrued or		Federal	Accrued or
Pass-Through Agency	Catalog	(Unearned)		Disbursements/	(Unearned)
<u>Award Description</u>	<u>Number</u>	<u>Revenue at</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Revenue at</u>
		<u>7/1/14</u>			<u>6/30/15</u>
U.S. Department of Agriculture					
Passed through Wisconsin Department of Public Instruction:					
<i>Child Nutrition Cluster</i>					
Food Service Aid - Breakfast	10.553	\$ 2,555	\$ 112,480	\$ 112,823	\$ 2,898
Donated Commodities	10.555	---	85,759	85,759	---
Food Service Aid - Lunch	10.555	8,393	364,222	363,954	8,125
Food Service Aid - Milk	10.556	---	12	12	---
<i>Total Child Nutrition Cluster</i>		<u>10,948</u>	<u>562,473</u>	<u>562,548</u>	<u>11,023</u>
Total U.S. Department of Agriculture		<u>10,948</u>	<u>562,473</u>	<u>562,548</u>	<u>11,023</u>
U.S. Department of Education					
Indian Education - Grants to Local Educational Agencies	84.060	48,840	104,182	88,168	32,826
Title VIII - Impact Aid					
2014-2015	84.041	---	304,661	304,661	---
Passed through Wisconsin Department of Public Instruction:					
Passed through CESA's:					
Career and Technical Education - Basic Grants to States	84.048	---	10,813	10,813	---
ESEA Title II-A Teacher/Principal Training	84.367	21,249	75,192	78,539	24,596
<i>Title I, Part A Cluster</i>					
ESEA Title 1-A Basic Grant (LEA)	84.010	58,719	248,640	269,057	79,136
<i>Special Education Cluster</i>					
IDEA Flow Through (EIS)	84.027	102,730	467,971	398,959	33,718
IDEA Preschool Entitlement	84.173	6,882	15,268	15,405	7,019
Passed through CESA's:					
Transition Improvement Grant	84.027	---	3,000	3,000	---
<i>Total Special Education Cluster</i>		<u>109,612</u>	<u>486,239</u>	<u>417,364</u>	<u>40,737</u>
Passed through Outagamie County Health and Human Services					
ESEA IV-A Safe and Drug Free Schools Act	84.186	372	5,737	5,580	215
Total U.S. Department of Education		<u>238,792</u>	<u>1,235,464</u>	<u>1,174,182</u>	<u>177,510</u>
U.S. Department of Health and Human Services					
Passed through Wisconsin Medicaid and Badgercare Programs					
Medical Assistance Program 2014-2015	93.778	---	140,617	165,649	25,032
Medical Assistance Program 2013-2014	93.778	762	18,167	17,405	---
Medical Assistance Program 2012-2013	93.778	---	19,944	19,944	---
Total U.S. Department of Health and Human Services		<u>762</u>	<u>178,728</u>	<u>202,998</u>	<u>25,032</u>
Total Awards		<u>\$ 250,502</u>	<u>\$ 1,976,665</u>	<u>\$ 1,939,728</u>	<u>\$ 213,565</u>

See Independent Auditors' Report.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Notes to Schedules of Expenditures of Federal and State Awards
June 30, 2015

1. General

The accompanying schedules of expenditures of federal and state awards represent the activity of all federal and state financial awards of the District. All federal and state awards received directly from federal and state agencies as well as federal and state financial awards passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying schedules of expenditures of federal and state awards is presented using the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recorded as liabilities when incurred. The District applies all GASB pronouncements in accounting and reporting.

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

To the School Board
Seymour Community School District
Seymour, 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 Seymour Community School District ("District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 18, 2015.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

District's Response to Findings

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

November 18, 2015
Milwaukee, Wisconsin

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

To the School Board
Seymour Community School District
Seymour, Wisconsin

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and State Single Audit Guidelines. Those standards and OMB Circular A-133 and State Single Audit Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on 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, 2015.

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 or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

November 18, 2015
Milwaukee, Wisconsin

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015

No prior year findings.

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015

Section I - Summary of Auditors' Results

Financial Statements

- | | |
|---|------------|
| 1. Type of auditors' report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| A. Material weaknesses identified? | No |
| B. Significant deficiencies identified that are not considered to be material weakness? | Yes |
| 3. Noncompliance material to financial statements? | No |

Federal Awards

- | | |
|---|------------|
| 4. Internal control over major programs: | |
| A. Material weaknesses identified: | No |
| B. Significant deficiencies identified that are not considered to be material weakness? | No |
| 5. Type of auditors' report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 7. Identification of major programs: | |

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	<u>Child Nutrition Cluster:</u>
84.027	IDEA Flow Through
84.173	IDEA Preschool Entitlement
84.041	Federal Impact Aid

- | | |
|--|-----------|
| 8. Dollar threshold used to distinguish between type A and type B programs | \$300,000 |
| 9. Auditee qualified as low-risk auditee? | Yes |

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015
(Continued)

Section I - Summary of Auditors' Results (Continued)

State Awards

10. Internal control over financial reporting:
- A. Material weaknesses identified No
 - B. Significant deficiencies identified that are not considered to be material weakness? No
11. Type of auditors' report issued on compliance for major programs: Unmodified
12. Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? No
13. Identification of major state programs:

<u>CFDA Number</u>	<u>Name of State Program or Cluster</u>
255.101	Special Education and School-Age Parents
255.201	Equalization Aid

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015
(Continued)

Section II - Financial Statement Findings

Reference Number: 2015-001
Description: Financial Statement Preparation

Criteria: Statements on Auditing Standards AU §325.29 states it is a deficiency in the design of controls to have inadequate controls over the preparation of the financial statements being audited.

Condition: The financial statements of the District should be prepared in accordance with Generally Accepted Accounting Principles (GAAP). Preparation of the District's financial statements and footnote disclosures in accordance with GAAP requires a very high level of technical experience and expertise.

Cause: The District's staff does not have the necessary resources to properly apply GAAP in the preparation of these documents. The District has decided to rely on the technical experience and expertise of its auditors and have requested us to prepare the financial statements and footnote disclosures in accordance with GAAP.

Effect: The District's financial statements would be materially misstated and required footnote disclosures would be missing.

Recommendation: We recommend the District assign a staff member to review the financial statements prepared by its auditors.

District's Corrective Action Plan: The District will continue to use external sources to prepare the financial statements along with the District reviewing and approving drafts of the financials prior to issuance.

Section III - Federal and State Award Findings and Questioned Costs

None

SEYMOUR COMMUNITY SCHOOL DISTRICT
Seymour, Wisconsin

Schedule of Findings and Questioned Costs
Year Ended June 30, 2015
(Continued)

Section IV - Other Issues

1. Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

2. Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

 Department of Public Instruction Yes

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

4. Name and signature of partner _____
Brian J. Mechenich

5. Date of Report November 18, 2015