

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**TOMAH AREA SCHOOL DISTRICT
TOMAH, WISCONSIN**

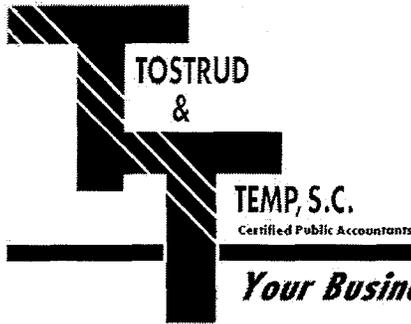
June 30, 2015

T A B L E O F C O N T E N T S

	Page
INDEPENDENT AUDITOR'S REPORT	4
MANAGEMENT'S DISCUSSION AND ANALYSIS	7
FINANCIAL SECTION	
STATEMENT OF NET POSITION	9
STATEMENT OF ACTIVITIES	10
BALANCE SHEET - GOVERNMENTAL FUNDS	11
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	12
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	13
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	14
STATEMENT OF NET POSITION - PROPRIETARY FUND - FOOD SERVICE FUND	15
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION - PROPRIETARY FUND - FOOD SERVICE FUND	16
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - FOOD SERVICE FUND	17
STATEMENT OF NET POSITION - FIDUCIARY FUNDS	18
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS	18
NOTES TO FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION	47
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF FUNDING PROGRESS FOR POST-EMPLOYMENT BENEFIT PLANS	48
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF DISTRICT'S NET PENION LIABILITY (ASSET) - WISCONSIN RETIREMENT SYSTEM	49
REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULE OF DISTRICT CONTRIBUTIONS - WISCONSIN RETIREMENT SYSTEM	49
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND - FUNDS 10 AND 27	50

T A B L E O F C O N T E N T S - C O N T I N U E D

	Page
REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED	
RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - REGULATORY BASIS TO GAAP BASIS - GENERAL FUND AND SPECIAL EDUCATION FUND	51
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND - REFERENDUM DEBT - FUND 39	52
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND - NON-REFERENDUM DEBT - FUND 38	53
OTHER SUPPLEMENTARY INFORMATION	54
BALANCE SHEET - DEBT SERVICE FUNDS	55
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - DEBT SERVICE FUNDS	56
BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	57
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS	58
PUPIL ACTIVITY FUNDS - SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES	59
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	60
SCHEDULE OF STATE FINANCIAL ASSISTANCE	62
OTHER REPORTS	63
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	64
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND WISCONSIN STATE SINGLE AUDIT GUIDELINES	66
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	68



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INDEPENDENT AUDITOR'S REPORT

Members of the School Board
Tomah Area School District
Tomah, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Tomah Area 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers

internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 9 to the financial statements, for the year ended June 30, 2015, the District adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other schedules identified in the Required Supplementary Information section 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 supplementary information identified in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as well as the schedule of expenditures of state awards and other supplemental information listed in the table of contents, are presented for purposes of additional analysis and is also not a required part of the basic financial statements.

The combining statements and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the schedule of expenditures of state awards, and other supporting schedules as listed in the table of contents 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, these schedules and statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 26, 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.

T. Stroud & Temp, S.C.

October 26, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tomah Area School District
Management's Discussion and Analysis
Year ended June 30, 2015

This discussion and analysis of the Tomah Area School District's financial information provides an overall review of financial activities for the fiscal year. The analysis focuses on School District financial performance as a whole. Revenue and expense comparisons to fiscal year 2014 are used throughout this discussion and analysis letter. It should be read in conjunction with the Letter of Transmittal at the front of this report and the District's financial statements, which immediately follow this section.

Financial Highlights

Total governmental funds revenues were \$35,021,103; including \$12,812,675 of property taxes, \$19,423,326 of state aids and grants, and \$2,050,021 of federal grants. Total governmental fund expenditures were \$34,869,634, including \$18,900,058 for direct instruction. Other financing sources and uses included proceeds from sales of fixed assets of \$11,923 and a transfer to the food service fund of \$17,670.

The District's total long-term liabilities decreased by \$2,446,159. The liability for General obligation bonds decreased by \$1,730,000. The District made regular bond payments of \$565,000 and defeased \$1,165,000 of bonds payable and during the current year. Post-retirement health care and other benefits decreased by \$832,088, and the liability for sick and vacation payable increased by \$115,929.

The District's financial status, as reflected by total net position, increased by \$2,273,624. Net position of governmental activities increased \$2,242,702 and business-type activities (Food Service Program) increased \$30,922 in net position for the current fiscal year.

The District's net position at the beginning of the year as been restated to include the District's net pension asset and deferred outflows of resources resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement Number 68. The governmental activities net position was increased by \$5,688,613 and the business-type activities were increased by \$175,936 by the restatement. The GASB 68 adjustment records a net pension asset and a deferred outflow of resources related to its participation in the Wisconsin Retirement System, a cost-sharing multiple-employer defined benefit pension plan. See Notes 9 and 17 for more information.

Overview of the Financial Statements

The comprehensive annual financial report consists of three parts: management's discussion and analysis, basic financial statements including notes to the financial statements, and required and other supplementary information.

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 information for the just-completed fiscal year.

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

- 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 and other 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 activities reported and the type of information contained is shown in the following table.

	District Wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire District (except fiduciary funds).	The activities of the District that are not proprietary or fiduciary, such as instructional, support services, debt service, capital projects, and community services.	Activities the District operates similar to private business. The District's food service program is its only proprietary operation.	Assets held by the District on behalf of someone else. Students and other organizations that have funds on deposit with the District are reported here.
Required financial statements	*Statement of net position *Statement of activities	* Balance sheet * Statement of revenues, expenditures and changes in fund balance	* Statement of net position * Statement of revenues, expenses and changes in net position * Statement of cash flows	* Statement of fiduciary net position * Statement of changes in fiduciary net position.
Basis of accounting and measurement focus	Accrual accounting Economic resources focus.	*Modified accrual accounting *Current financial resources focus	* Accrual accounting * Economic resources focus	* Accrual accounting * Economic resources focus
Type of asset, deferred outflows of resources and liability information	All assets, deferred outflows of resources, 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, deferred outflows of resources, and liabilities, both financial and capital; short-term and long-term.	All assets, deferred inflows of resources, 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 liabilities are due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All revenues or deductions during the year, regardless of when cash is received or paid.

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended 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. The Statement of Activities reports all revenues and expenses used 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, and liabilities, is 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 the school buildings and other facilities should be considered. In the District-wide financial statements, the District's activities are divided into two categories:

- Governmental activities – Most of the District's basic services are included here, such as regular and special education instruction, transportation, support services, debt service, capital projects, community programs and administration. Property taxes and state equalization aid finance most of these activities.
- Business-type activities – Activities that are intended to be mostly self-supporting and meet certain accounting criteria are considered business-type activities. The District charges fees and receives federal and state reimbursements to cover the costs of its food service operation. The food service operation is the only activity that is considered a business-type activity.

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 (such as repaying its long-term debt) or to show that it is properly using certain revenues (such as capital project funds).

The District has three 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 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.

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

Fund Financial Statements - Continued

- Proprietary fund – The food service fund, an activity for which the District charges a fee and for which revenues are expected to cover all expenses, is reported as a proprietary fund. Proprietary funds are reported in the same way as District-wide statements.
- Fiduciary funds – The District serves as a trustee, or fiduciary, for its student activity funds, scholarship funds, and employee benefit trust fund. The assets of these organizations and trust funds belong to the organization or trust and not to 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. The District's total combined net position was \$28,624,912 at June 30, 2015, which is an increase of 39.53% over the prior year. The increase in net position is due to the current year changes in net position in the statement of activities and the restatement of net position due to the implementation of GASB Statement No. 68.

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	
Current and other assets	\$ 6,362.4	\$ 9,750.3	\$ 142.2	\$ 135.0	\$ 6,504.6	\$ 9,885.3	51.97%
Capital assets	23,913.2	23,555.9	297.5	298.4	24,210.7	23,854.3	-1.47%
Total assets	30,275.6	33,306.2	439.7	433.4	30,715.3	33,739.6	9.85%
Deferred outflows of resources	-	2,618.0	-	81.0	-	2,699.0	100.00%
Long-term debt outstanding	7,461.0	4,624.8	-	-	7,461.0	4,624.8	-38.01%
Other liabilities	2,607.2	3,160.6	131.7	28.2	2,738.9	3,188.8	16.43%
Total liabilities	10,068.2	7,785.4	131.7	28.2	10,199.9	7,813.6	-23.40%
Net Position							
Net investment in							
capital assets	20,778.2	22,150.9	297.5	298.4	21,075.7	22,449.3	6.52%
Restricted	654.9	6,403.7	10.5	187.8	665.4	6,591.5	890.61%
Unrestricted	(1,225.7)	(415.8)	-	-	(1,225.7)	(415.8)	-66.08%
TOTAL NET POSITION	\$ 20,207.4	\$ 28,138.8	\$ 308.0	\$ 486.2	\$ 20,515.4	\$ 28,625.0	39.53%

Note: Totals may not add due to rounding

For the year ended June 30, 2015, the largest portion of the District's net position is its net investment in capital assets of \$22,449,248 (e.g. land, buildings, and equipment, less related outstanding debt used to acquire those assets). These assets are used to provide services

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

Financial Analysis of the District as a Whole – Continued

to students and consequently are not available for future spending. Restricted net position accounts for \$6,591,443 of total net position. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20). The restricted net position are comprised of amounts of \$318,035 restricted for debt service, \$105,768 restricted for the Special Revenue Trust Fund, \$294,175 for future payments to employee retirement plans, \$5,685,690 for its Wisconsin Retirement System pension plan, and \$187,775 restricted for food service type activities. Unrestricted net position for the District accounts for the final (\$415,780) of total net position.

Table 2
Changes in Net Assets from Operating Results
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	
Revenues							
Program revenues							
Charges for services	\$ 133.6	\$ 161.8	\$ 709.4	\$ 696.4	\$ 843.0	\$ 858.2	1.80%
Operating grants & contributions	3,724.1	3,560.1	869.9	863.8	4,594.0	4,423.9	-3.70%
Capital grants & contributions	-	-	-	-	-	-	0.00%
General revenues							
Property and other taxes	12,397.8	12,812.7	-	-	12,397.8	12,812.7	3.35%
State equalization aid	18,252.4	17,401.2	-	-	18,252.4	17,401.2	-4.66%
Gain on sale of fixed assets	6.3	8.1	-	-	6.3	8.1	28.57%
Transfers in (out)	(34.1)	(17.7)	34.1	17.7	-	-	0.00%
Other	776.1	1,085.3	0.2	0.2	776.3	1,085.5	39.83%
Total revenues	35,256.2	35,011.5	1,613.6	1,578.1	36,869.8	36,589.6	-0.76%
Expenses							
Instruction	19,567.2	19,145.4	-	-	19,567.2	19,145.4	-2.16%
Pupil & instructional services	2,542.7	2,587.2	-	-	2,542.7	2,587.2	1.75%
General & Building Administration	1,858.1	1,744.4	-	-	1,858.1	1,744.4	-6.12%
Business Administration	6,786.6	6,633.3	-	-	6,786.6	6,633.3	-2.26%
Central	612.4	591.7	-	-	612.4	591.7	-3.38%
Debt service	241.2	172.7	-	-	241.2	172.7	-28.40%
Insurance	217.4	323.6	-	-	217.4	323.6	48.85%
Other	1,404.7	1,570.5	1,642.2	1,547.2	3,046.9	3,117.7	2.32%
Total expenses	33,230.3	32,768.8	1,642.2	1,547.2	34,872.5	34,316.0	-1.60%
CHANGE IN NET POSITION	\$ 2,025.9	\$ 2,242.7	\$ (28.6)	\$ 30.9	\$ 1,997.3	\$ 2,273.6	

Note: Totals may not add due to rounding

Table 2 provides summarized operating results and their impact on net position. Governmental activities increased the financial position of the District by \$2,242,702 and business-type activities increased the District's financial position by \$30,922.

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

Financial Analysis of the District as a Whole – Continued

The District relies primarily on property taxes (39%), unrestricted state and federal aids (53%) and operating grants and contributions (11%) to fund governmental activities.

Table 3 presents the cost of the eight major District activities. The table reports each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

Table 3						
Net Cost of Government Activities						
(in thousands of dollars)						
	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2013-2014	2014-2015		2013-2014	2014-2015	
Expenses						
Instruction	\$ 19,567.19	\$ 19,145.36	-2%	\$ 16,926.03	\$ 16,760.65	-1%
Pupil & instructional services	2,542.70	2,587.19	2%	1,828.72	1,833.68	0%
General & Building Administration	1,858.11	1,744.37	-6%	1,833.05	1,744.37	-5%
Business Administration	6,786.57	6,633.26	-2%	6,581.72	6,269.25	-5%
Central	612.48	591.80	-3%	598.14	569.38	-5%
Principal & interest	241.22	172.73	-28%	241.22	172.73	-40%
Insurance	217.37	323.64	49%	150.59	323.64	53%
Other	1,404.65	1,570.52	12%	1,213.13	1,373.21	12%
TOTAL EXPENSES	\$ 33,230.29	\$ 32,768.87		\$ 29,372.60	\$ 29,046.91	

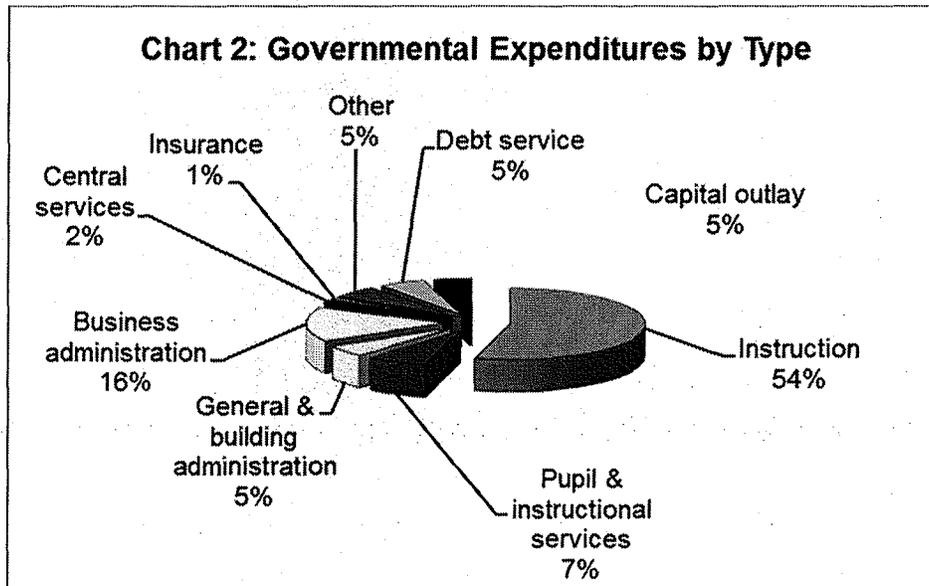
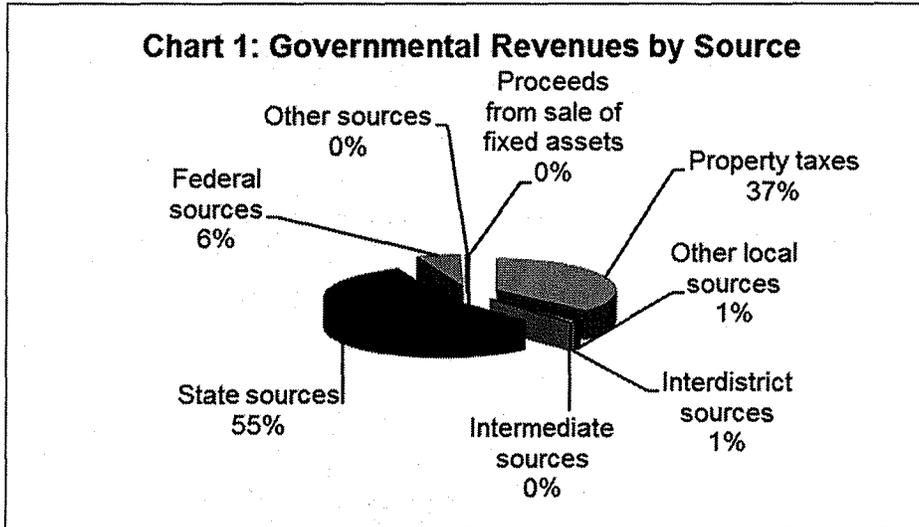
Note: Totals may not add due to rounding

The cost of all governmental activities this year was \$32,768,853. Individuals who directly participated or benefited from a program offering paid \$161,804 of costs. Federal and state governments subsidized certain programs with grants and contributions of \$3,560,145. The net cost of governmental activities of \$29,046,904 was financed by general revenues of the District.

Tomah Area School District
Management's Discussion and Analysis - Continued
 Year ended June 30, 2015

Financial Analysis of the District's Governmental Fund Statements

The composition of governmental revenues by source and expenditures by type are illustrated in Chart 1 below. Chart 2 details governmental expenditures by type.



Business-Type Activities

Revenues for the District's business-type activities (food service program) were operating revenues of \$1,560,227, a transfer from the general fund of \$17,670, and interest income of \$196. Operating revenues were comprised of charges for services (45%), federal and state reimbursements (48%), and commodities (7%). Expenses of \$1,547,171 resulted in an increase in net position of \$30,922 for the year. Major expenses include food purchases (46%) and labor/benefits (49%). The District increased meal prices an average of \$.10 per meal for the 2015-16 school year.

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

Financial Aspect of the District's Fund Balance

The District completed the year with a total governmental fund balance, which excludes the food service program, of \$4,964,235. The fund balance increased \$145,722 from last year's ending funding balance of \$4,818,513. Important factors affecting fund balance include:

- Projects in the general fund carried forward to 2015-16 that were not completed in 2014-15.
- Saving in utilities based on weather and economic conditions.

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 general state aids. Generally, the original budget is not significantly modified. The District modified its original budget in 2014-15 to reflect:

- Reallocation of unspent salaries and benefits and other budget appropriations to several facility, technology and curriculum projects.
- Modifications in several state and federal grants.

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

Capital Asset and Debt Administration

Capital Assets

At the end of fiscal year 2015, the District had invested \$52,713,937 in capital assets, including buildings, sites, library books, and equipment (See Table 4). Total accumulated depreciation on these assets equaled \$28,859,689. Asset acquisitions for governmental activities totaled \$1,578,182 and \$62,774 for the food service program. The District recognized depreciation expense of \$1,931,954 for governmental activities and \$33,756 for the food service program for the year ended June 30, 2015. Detailed information about capital assets can be found in Note 6 to the financial statements.

Table 4
Capital Assets
(net of depreciation, in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total School District		Total % Change
	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	
Land and site improvements	\$ 1,283.29	\$ 1,464.90	\$ -	\$ -	\$ 1,283.29	\$ 1,464.90	14.15%
Buildings & building improvements	31,957.95	31,961.12	76.55	76.55	32,034.50	32,037.67	0.01%
Equipment & furniture	17,631.87	18,713.87	452.21	497.49	18,084.08	19,211.36	6.23%
Accumulated depreciation	(26,959.88)	(28,584.03)	(259.89)	(275.66)	(27,219.77)	(28,859.69)	6.02%
TOTAL	\$ 23,913.23	\$ 23,555.86	\$ 268.87	\$ 298.38	\$ 24,182.10	\$ 23,854.24	

Note: Totals may not add due to rounding

Long-Term Debt

At year-end, the District had \$6,039,916 in general obligation bonds and other long-term debt outstanding – a net decrease of \$2,446,159 from July 1, 2014.

Table 5
Outstanding Long-Term Obligations
Total School District

	2013-2014	2014-2015	Total Percentage Change
General obligation debt	\$ 3,135.00	\$ 1,405.00	-123.13%
Other	5,351.08	4,634.92	-15.45%
TOTAL	\$ 8,486.08	\$ 6,039.92	-40.50%

Tomah Area School District
Management's Discussion and Analysis - Continued
Year ended June 30, 2015

Long-Term Debt - Continued

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 to the debt service fund for annual debt service payments.

Factors Bearing on the District's Future

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

- The impact of the continued current financial crisis on the local, state, and federal budgets and aids.
- The decrease/increase of allowable per student increases on the revenue limit on the 2016-17, 2017-18, 2018-19, and 2019-20 budgets.
- State aid allocations based on declining enrollments.
- Declining enrollment will continue to significantly impact District budgets going forward until the trend reverses. Declining enrollment will negatively impact District Base Revenue and State Aid if property values continue to increase.
- Financial impact of potential future referendum to maintain existing programs.
- Further decreases in federal grant dollars for Title I, Title IIA, IDEA, and Pre-School Grants.

Contacting the District's Financial Management

The 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 any questions about this report or need additional financial information contact Greg Gaarder, Business Manager, (608) 374-7003 Tomah Area School District, 129 W. Clifton Street, Tomah, WI 54660.

FINANCIAL SECTION

Tomah Area School District
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business- Type Activities	Total
Assets			
Current assets			
Cash and investments	\$ 2,236,490	\$ 15,788	\$ 2,252,278
Prepaid expenses	171,273	-	171,273
Receivables			
Taxes	3,481,274	-	3,481,274
Accounts	11,219	58	11,277
Due from other governments	782,437	12,304	794,741
Inventory	-	11,930	11,930
Total current assets	6,682,693	40,080	6,722,773
Noncurrent assets			
Capital assets	52,139,893	574,044	52,713,937
Less: accumulated depreciation	(28,584,034)	(275,655)	(28,859,689)
Total capital assets, net	23,555,859	298,389	23,854,248
Net pension asset	3,067,735	94,878	3,162,613
Total noncurrent assets	26,623,594	393,267	27,016,861
Total assets	33,306,287	433,347	33,739,634
Deferred outflows of resources			
Pension plan	2,617,955	80,967	2,698,922
Total assets and deferred outflows of resources	\$ 35,924,242	\$ 514,314	\$ 36,438,556
Liabilities			
Current liabilities			
Current portion of long-term obligations	\$ 1,415,000	\$ -	\$ 1,415,000
Accounts payable	113,015	201	113,216
Accrued liabilities			
Payroll, payroll taxes, and insurances	1,530,443	4,743	1,535,186
Interest	27,121	-	27,121
Due to (from) other funds	75,000	-	75,000
Unearned revenue	-	23,206	23,206
Total current liabilities	3,160,579	28,150	3,188,729
Noncurrent liabilities			
Noncurrent portion of long-term obligations	4,624,916	-	4,624,916
Total liabilities	7,785,495	28,150	7,813,645
Net position			
Net investment in capital assets	22,150,859	298,389	22,449,248
Restricted			
Debt service	318,035	-	318,035
Other activities	6,085,633	187,775	6,273,408
Unrestricted	(415,780)	-	(415,780)
Total net position	28,138,747	486,164	28,624,911
Total liabilities and net position	\$ 35,924,242	\$ 514,314	\$ 36,438,556

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF ACTIVITIES
For the year ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities							
Current							
Instruction							
Regular instruction	\$ 13,736,563	\$ 10,288	\$ 1,011,197	\$ -	\$ (12,715,078)	\$ -	\$ (12,715,078)
Vocational instruction	808,647	31,951	63,862	-	(712,834)	-	(712,834)
Special education instruction	3,208,591	-	1,195,211	-	(2,013,380)	-	(2,013,380)
Other instruction	1,391,556	57,885	14,316	-	(1,319,355)	-	(1,319,355)
Total instruction	19,145,357	100,124	2,284,586	-	(16,760,647)	-	(16,760,647)
Support services							
Pupil services	1,189,632	-	245,915	-	(943,717)	-	(943,717)
Instructional staff services	1,397,554	1,844	505,745	-	(889,965)	-	(889,965)
General administration services	353,560	-	-	-	(353,560)	-	(353,560)
School administration services	1,390,808	-	-	-	(1,390,808)	-	(1,390,808)
Business administration services	6,633,259	59,836	304,178	-	(6,269,245)	-	(6,269,245)
Central services	591,803	-	22,422	-	(569,381)	-	(569,381)
Insurance	323,636	-	-	-	(323,636)	-	(323,636)
Other support services	505,420	-	-	-	(505,420)	-	(505,420)
Total support services	12,385,672	61,680	1,078,260	-	(11,245,732)	-	(11,245,732)
Non-program							
Other non-program	1,065,095	-	197,299	-	(867,796)	-	(867,796)
Total non-program	1,065,095	-	197,299	-	(867,796)	-	(867,796)
Debt service							
	172,730	-	-	-	(172,730)	-	(172,730)
Total governmental activities	32,768,854	161,804	3,560,145	-	(29,046,905)	-	(29,046,905)
Business-type activities							
School food service program	1,547,171	696,405	863,822	-	-	13,056	13,056
Total school district	\$ 34,316,025	\$ 858,209	\$ 4,423,967	\$ -	(29,046,905)	13,056	(29,033,849)
General revenues							
Property taxes							
General purposes							
					10,889,270	-	10,889,270
Mobile home taxes							
					39,147	-	39,147
Debt services							
					1,884,258	-	1,884,258
Other taxes							
State and federal aids not restricted to specific functions							
General							
					17,401,188	-	17,401,188
Other							
					941,451	-	941,451
Interest and investment earnings							
					5,005	196	5,201
Miscellaneous							
					138,835	-	138,835
Transfer from (to) other funds							
					(17,670)	17,670	-
Gain on sale of fixed assets							
					8,122	-	8,122
Total general revenues							
					31,289,606	17,866	31,307,472
Change in net position							
					2,242,701	30,922	2,273,623
Net position at July 1, 2014 - as restated							
					25,896,046	455,242	26,351,288
Net position at June 30, 2015							
					\$ 28,138,747	\$ 486,164	\$ 28,624,911

The accompanying notes are an integral part of this statement.

Tomah Area School District
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Debt Service Funds	Other Governmental Funds	Total
Assets				
Cash and investments	\$ 1,785,566	\$ 345,156	\$ 105,768	\$ 2,236,490
Prepaid expenses	171,273	-	-	171,273
Receivables				
Taxes	3,481,274	-	-	3,481,274
Accounts	11,219	-	-	11,219
Due from other funds	-	-	-	-
Due from other governments	782,437	-	-	782,437
Total assets	\$ 6,231,769	\$ 345,156	\$ 105,768	\$ 6,682,693
 Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 113,015	\$ -	\$ -	\$ 113,015
Accrued liabilities				
Payroll, payroll taxes, insurance	1,530,443	-	-	1,530,443
Due to other funds	75,000	-	-	75,000
Total liabilities	1,718,458	-	-	1,718,458
 Fund balances				
Restricted	294,175	345,156	105,768	745,099
Unrestricted				
Unassigned	4,219,136	-	-	4,219,136
Total fund balances	4,513,311	345,156	105,768	4,964,235
Total liabilities and fund balances	\$ 6,231,769	\$ 345,156	\$ 105,768	\$ 6,682,693

The accompanying notes are an integral part of this statement.

Tomah Area School District
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 June 30, 2015

Fund balance - governmental funds \$ 4,964,235

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

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are as follows:

Governmental capital assets	\$ 52,139,893	
Governmental accumulated depreciation	<u>(28,584,034)</u>	23,555,859

Net pension asset does not require current financial resources and therefore is only reported in governmental activities	3,067,735
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Deferred outflows of resources represent consumption of net position that apply to future periods and therefore are not reported in the fund statements.

Deferred outflows of resources consist of:

Pension plan	2,617,955
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Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are as follows:

General obligation debt	(1,405,000)	
Accrued interest on general obligation debt	(27,121)	
Vested employee benefits	<u>(4,634,916)</u>	<u>(6,067,037)</u>

Total net position - governmental activities	\$ <u>28,138,747</u>
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The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year ended June 30, 2015

	General Fund	Debt Service Funds	Other Governmental Funds	Total
Revenues				
Property taxes	\$ 10,928,417	\$ 1,884,258	\$ -	\$ 12,812,675
Other local sources	165,433	2,276	147,845	315,554
Interdistrict sources	244,241	-	-	244,241
Intermediate sources	23,325	-	-	23,325
State sources	19,423,326	-	-	19,423,326
Federal sources	2,023,879	-	26,142	2,050,021
Other sources	151,961	-	-	151,961
Total revenues	32,960,582	1,886,534	173,987	35,021,103
Expenditures				
Current				
Instruction				
Regular instruction	13,415,481	-	26,053	13,441,534
Vocational instruction	799,643	-	-	799,643
Special instruction	3,314,556	-	-	3,314,556
Other instruction	1,340,361	-	3,964	1,344,325
Total instruction	18,870,041	-	30,017	18,900,058
Support services				
Pupil services	1,186,379	-	26,202	1,212,581
Instructional staff services	1,324,041	-	1,323	1,325,364
General administration services	345,431	-	-	345,431
Building administration services	1,407,000	-	-	1,407,000
Business administration services	5,444,711	-	1,635	5,446,346
Central services	525,824	-	387	526,211
Insurance	323,636	-	-	323,636
Other support services	825,884	-	-	825,884
Total support services	11,382,906	-	29,547	11,412,453
Non-program services	1,065,095	-	-	1,065,095
Debt service	9,593	1,904,253	-	1,913,846
Capital outlay	1,482,890	-	95,292	1,578,182
Total expenditures	32,810,525	1,904,253	154,856	34,869,634
Excess (deficiency) of revenues over expenditures	150,057	(17,719)	19,131	151,469
Other financing sources (uses)				
Proceeds from sale of fixed assets	11,923	-	-	11,923
Transfer to food service fund	(17,670)	-	-	(17,670)
	(5,747)	-	-	(5,747)
Net change in fund balances	144,310	(17,719)	19,131	145,722
Fund balances at July 1, 2014	4,369,001	362,875	86,637	4,818,513
Fund balances at June 30, 2015	<u>\$ 4,513,311</u>	<u>\$ 345,156</u>	<u>\$ 105,768</u>	<u>\$ 4,964,235</u>

The accompanying notes are an integral part of this statement.

Tomah Area School District
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
 Year ended June 30, 2015

Net change in fund balances - total governmental funds \$ 145,722

Amounts reported for governmental fund statements and the statement of activities are different because:

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

Capital outlay reported as expenditures in governmental fund statements	\$ 1,578,182	
Depreciation expense reported in the statement of activities	(1,931,754)	
Proceeds from sale of fixed assets	(11,923)	
Gain on sale of fixed assets	<u>8,122</u>	(357,373)

Vested employee benefits are reported in the governmental fund statements when amounts are paid. The statement of activities reports the value of benefits earned during the year:

Special termination benefits paid in current year	1,773,049	
Special termination benefits earned in current year	<u>(1,056,890)</u>	716,159

Proceeds from current year debt issues are reported as revenue in the governmental funds, but are reported as long-term debt in the statement of net position and does not affect the statement of activities.

The amount of proceeds from new debt issues in the current year is:

Repayments of principal on long-term debt are reported in the governmental fund statements as expenditures but are reported as a reduction in long-term debt in the statement of net position. There is no affect on the statement of activities.

The amount of long-term debt principal payments in the current year is: 1,730,000

In the governmental funds, pension expense is reported when due. In the statement of activities, pension expense is accrued based on the reported amount of net pension liability (asset).

Net change in net pension liability (asset) (2,923)

In governmental fund statements, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as it accrues:

The amount of interest paid during the current year	174,253	
The amount of interest accrued during the current year	<u>(163,137)</u>	<u>11,116</u>

Change in net position - governmental activities \$ 2,242,701

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF NET POSITION
PROPRIETARY FUND - FOOD SERVICE FUND
June 30, 2015

Assets

Current assets

Cash and investments	\$	15,788
Accounts receivable		58
Due from other governments		12,304
Inventory		11,930
		11,930

Total current assets 40,080

Non-current assets

Capital assets		574,044
Less accumulated depreciation		(275,655)
Net capital assets		298,389
Net pension asset		94,878

Total non-current assets 393,267

Deferred outflows of resources

Pension plan		80,967
		80,967

Total assets and deferred outflows of resources \$ 514,314

Liabilities

Current liabilities

Accounts payable	\$	201
Accrued payroll, payroll taxes and insurance		4,743
Unearned revenue - student lunch accounts		23,206
		23,206

Total current liabilities 28,150

Net position

Net investment in capital assets		298,389
Restricted for food service		187,775
		187,775

Total net position 486,164

Total liabilities and net position \$ 514,314

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
PROPRIETARY FUND - FOOD SERVICE FUND
Year ended June 30, 2015

Revenues	
Food sales	\$ 696,405
State sources	21,116
Federal sources	729,089
Federal commodities	110,617
Other income	3,000
	<hr/>
Total revenues	1,560,227
 Operating expenses	
Salaries and wages	551,160
Employer paid benefits	201,039
Purchased services	55,169
Supplies, food and materials	706,411
Other	136
Depreciation	33,256
	<hr/>
Total operating expenses	1,547,171
	<hr/>
Operating income	13,056
 Non-operating revenue	
Transfer from general fund	17,670
Interest income	196
	<hr/>
	17,866
	<hr/>
Change in net position	30,922
Net position at beginning of year - as restated	455,242
	<hr/>
Net position at end of year	\$ 486,164
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - FOOD SERVICE FUND
Year ended June 30, 2015

Increase in Cash and Cash Equivalents

Cash flows from operating activities:

Cash received from user charges	\$ 698,850
Cash received from other government payments	787,877
Cash received from other sources	3,000
Cash payments to employees for services	(749,778)
Cash payments for utilities and other purchased services	(55,169)
Cash payments to suppliers for goods and services	(597,689)
Cash payments for other operating expenses	(136)
Net cash provided by operating activities	86,955

Cash flows used in capital and related financing activities:

Capital expenditures	(62,774)
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Cash flows from investing activities:

Cash from (paid to) other funds	(8,589)
Interest on investments	196
	(8,393)

Net increase in cash and cash equivalents 15,788

Cash and cash equivalents at beginning of year -

Cash and cash equivalents at end of year \$ 15,788

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities**

Operating income	\$ 13,056
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	33,256
Pension expense	91
Changes in net position and liabilities	
Decrease in accounts receivable	1,288
Decrease in due from other governments	37,672
(Increase) in inventory	(1,495)
(Decrease) in accounts payable	(400)
Increase in accrued liabilities	2,330
Increase in deferred revenue	1,157
	73,899
Net cash provided by operating activities	\$ 86,955

Non-cash Non-Capital Financing Activities

During the year, the District received commodities from the U.S. Department of Agriculture in the amount of \$110,617.

The accompanying notes are an integral part of this statement.

Tomah Area School District
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2015

	Student Activities	Scholarship Funds	Employee Benefit Trust	Total
Assets				
Cash and cash equivalents	\$ 147,917	\$ 274,593	\$ 483,745	\$ 906,255
Due from other funds	-	-	75,000	75,000
Total assets	\$ 147,917	\$ 274,593	\$ 558,745	\$ 981,255
Liabilities				
Due to student organizations	\$ 147,917	\$ -	\$ -	\$ 147,917
	147,917	-	-	147,917
Net position				
Nonspendable	-	120,000	-	120,000
Reserved for scholarships	-	154,593	-	154,593
Restricted for employee post-employment benefits	-	-	558,745	558,745
Total net position	-	274,593	558,745	833,338
 Total liabilities and net position	 \$ 147,917	 \$ 274,593	 \$ 558,745	 \$ 981,255

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year ended June 30, 2015

Additions				
Gifts and contributions	\$ -	\$ 180,536	\$ -	\$ 180,536
Interest income	-	211	9,008	9,219
Employee trust fund contribution	-	-	1,654,107	1,654,107
	-	180,747	1,663,115	1,843,862
Deductions				
Scholarships awarded	-	33,810	-	33,810
Employee benefits	-	-	1,503,856	1,503,856
	-	33,810	1,503,856	1,537,666
 Net change in position	 -	 146,937	 159,259	 306,196
Net position at beginning of year	-	127,656	399,486	527,142
 Net position at end of year	 \$ -	 \$ 274,593	 \$ 558,745	 \$ 833,338

The accompanying notes are an integral part of these statements.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The Tomah Area School District (the "District") is organized as a common school district. The District, governed by a seven-member elected school board, operates grades kindergarten through 12 and is comprised of all or parts of twenty-two (22) taxing districts.

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

B. Component Units

Accounting principles generally accepted in the United States of America 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 financial statements. It was determined that 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 and business-type 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. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in part by fees charged to external parties and users of the goods and services.

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and 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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Presentation - Continued

District-wide Statements - Continued

(b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal value. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

Debt service fund - This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental activities.

The District operates one enterprise fund, the **food service fund**. This fund accounts for the activities of the District's food service programs, generally school breakfast and hot lunch.

The District accounts for assets held as an agent for various student organizations, scholarship donations and an employee benefit trust fund in fiduciary funds.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Measurement Focus and Basis of Accounting

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

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

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.

Reports for the District's food service fund are prepared following the Governmental Accounting Standards Board (GASB) issued Statement No. 62, Codification of Accounting and Financial Reporting Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Cash and Investments

The District's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of the financial statements. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. State statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund.

Donations to the District of securities or other property are considered trust funds and are invested as the donor specifies. In the absence of any specific directions, the District may invest the donated items in accordance with laws applicable to trust investments.

All investments are stated at fair market value. Determination of fair value for investment in the state treasurer's investment pool is based on information provided by the State of Wisconsin Investment Board.

F. Receivables and Payables

The aggregate District tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15 and by the 20th of February, the collecting municipalities pay proportionate shares of tax collections received through the last day of the preceding month to the District. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

Any amounts reported on the statement of net position for due to and due from other funds represents amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

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.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

G. Inventory

The District's food service inventory is valued at the lower of cost or market on a first-in, first-out basis.

H. Other Assets

Expendable supplies or non-capital items acquired for initial use in subsequent fiscal periods are recorded as prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as expenditures would result in more than one year's cost being recorded. Prepaid supplies are valued at cost.

I. Capital Assets

Capital assets with a minimum cost of \$5,000 are reported at actual cost where possible; otherwise estimated cost was used based on District estimates of original cost. Donated assets are reported at estimated fair market value on the date received.

Depreciable assets are depreciated over their useful lives by the straight-line method. Estimated useful lives are as follows:

Land improvements	20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years

J. Retirement Plans

District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when corresponding salaries or wages are accrued.

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

The District's policy allows employees to accumulate a maximum of 120 days of sick pay. If the employee is at least fifty-five years old and has at least fifteen years of service upon retirement or termination, the employee is paid for one-half of his/her accumulated sick pay based upon an average of his/her last five years' pay.

In the governmental statements, the payment of benefits is recorded as expenditures in the fiscal year when these amounts are paid. In the statement of activities, the benefits are recorded when earned.

For teachers that retired during fiscal years ending June 30, 2008 and 2009, the District offered an early retirement package to teachers who had reached age 55 by August 15 of the year the retirement goes into effect and had taught in the District a minimum of fifteen years. The benefit was the retiree's monthly group health insurance premium in effect on the employee's retirement date for a period of ten years. Surviving spouse coverage also applies.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts - Continued

For teachers hired prior to the 2007-2008 school year, the District offers post-retirement benefits to teachers who have reached age 55 by August 15 of the year the retirement goes into effect and have taught in the District a minimum of fifteen years. Teachers must have a sum equal to or greater than 75 of the teacher's age and years of continuous service. Teachers may choose one of the following options for post retirement:

- a. The District will deposit into a Health Reimbursement account an amount equal to the teacher's continuous years of service, not to exceed 40 years, times \$4,000, paid in equal installments over 84 months, or
- b. The District will deposit into a Health Reimbursement Account an amount equal to 100% of the monthly premium rate on June 30 of the year the retirement is to commence. The deposits will be made on a monthly basis and will cease after 84 months. This option was not available after June 30, 2013. Surviving spouse coverage also applies.

For teachers hired during the 2007-2008 school year through 2011-2012, the District will deposit \$1,500 per year into an investment account for the school years worked from the 2007-2008 through the 2011-2012 school years and \$1,250 per year for a total of 25 years. For teachers hired during the 2012-2013 school year and thereafter, the District will deposit \$1,250 into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The District will retain title and control of the investment account until the teacher has completed five years of continuous service in the District. If the teacher's employment relationship is severed prior to completing five years of continuous service, any deposits and accrued interest in the investment account is forfeited and will remain the sole property of the District.

Payment for accumulated vacation for administrators and central office staff will be placed into a health reimbursement account (HRA) based on current pay rates at the time of termination. Accumulated unpaid vacation is lost for all other employees. See Note 10 for additional information about these benefits and the related liability.

L. Unearned Revenue

The District maintains prepaid family lunch accounts for student lunches. The District records these balances as unearned revenue.

M. Net Position Classification

The District classifies its net position as follows:

- a. Net investment in capital assets represents the net depreciated value of capital assets less any remaining debt owed that was incurred to finance the acquisition of such assets.
- b. Restricted net position indicates that portion of net position that has been legally segregated for specific purposes.
- c. Unrestricted net position indicates that portion of net position for which the District has no legal financial obligation.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

N. Fund Balance Classification

The District classifies its fund balance as follows:

- a. Unrestricted, unassigned fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications.
- b. Unrestricted, assigned fund balances include amounts that can be spent only for specific purposes stipulated by representatives designated by the Board.
- c. Unrestricted, committed fund balances include amounts that can be spent only for specific purposes approved by the Board.
- d. Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use).

Fund balance classifications for restricted and all categories of unrestricted amounts are considered to have been spent when a qualifying expenditure is incurred.

O. Budgetary Accounting

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

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

- ◆ Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- ◆ The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- ◆ A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- ◆ Pursuant to the public budget hearing, the School Board may make alterations to the proposed budget.
- ◆ Once the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Budgetary Accounting - Continued

in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.

- ◆ Appropriations lapse at year-end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserved fund balance.

P. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Q. Subsequent Events

The District has evaluated subsequent events through October 26, 2015, the date on which the financial statements were available to be issued.

NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities. The long-term expense adjustments report the differences between the two accounting methods used in recognizing vested employee benefits.
- b. Capital asset related differences between recording expenditures for the purchase of capital items in the governmental fund statements versus increasing non-current assets on the statement of net position and recording depreciation expense on all capital items in the statement of activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease, as applicable, in the statement of net position, and interest expense is recorded in the statement of activities as incurred.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND
STATEMENTS AND DISTRICT-WIDE STATEMENTS - CONTINUED**

	Total Governmental Funds	Long-term Revenue/ Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Total
Revenues and other sources					
Property taxes	\$ 12,812,675	\$ -	\$ -	\$ -	\$ 12,812,675
Other local sources	315,554	-	-	-	315,554
Interdistrict sources	244,241	-	-	-	244,241
Intermediate sources	23,325	-	-	-	23,325
State sources	19,423,326	-	-	-	19,423,326
Federal sources	2,050,021	-	-	-	2,050,021
Other sources	151,961	-	-	-	151,961
Proceeds from sale of fixed assets	11,923	-	(11,923)	-	-
Gain on sale of fixed assets	-	-	8,122	-	8,122
Total revenues	35,033,026	-	(3,801)	-	35,029,225
Expenditures					
Current					
Instruction					
Regular instruction	13,441,534	(173,868)	468,897	-	13,736,563
Vocational instruction	799,643	(12,211)	21,215	-	808,647
Special instruction	3,314,556	(107,024)	1,059	-	3,208,591
Other instruction	1,344,325	(11,529)	58,760	-	1,391,556
Support services					
Pupil	1,212,581	(23,596)	647	-	1,189,632
Instructional staff	1,325,364	(14,244)	86,434	-	1,397,554
General administration	345,431	(1,993)	10,122	-	353,560
Building administration	1,407,000	(16,192)	-	-	1,390,808
Business administration	5,446,346	(30,116)	1,217,029	-	6,633,259
Central	526,211	(1,999)	67,591	-	591,803
Insurance	323,636	-	-	-	323,636
Other support services	825,884	(320,464)	-	-	505,420
Non-program	1,065,095	-	-	-	1,065,095
Debt service	1,913,846	-	-	(1,741,116)	172,730
Transfer to food service	17,670	-	-	-	17,670
Capital outlay	1,578,182	-	(1,578,182)	-	-
Total expenditures	34,887,304	(713,236)	353,572	(1,741,116)	32,786,524
Net change for the year	\$ 145,722	\$ 713,236	\$ (357,373)	\$ 1,741,116	\$ 2,242,701

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2015, are classified in the accompanying financial statements as follows:

Statement of net position	
Governmental activities	\$ 2,236,490
Business-type activities	<u>15,788</u>
	2,252,278
Fiduciary funds	<u>906,255</u>
	<u>\$ 3,158,533</u>

Cash and investments as of June 30, 2015 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 406,236	\$ 412,459
NOW accounts	1,620,783	2,122,455
Passbook savings	89,738	89,738
Certificates of deposit	263,309	263,309
Trust fund	483,745	483,745
Local government investment pool	<u>294,722</u>	<u>294,722</u>
Total	<u>\$ 3,158,533</u>	<u>\$ 3,666,428</u>

Investment Pool Information

Participation in the State of Wisconsin Local Government Investment Pool (LGIP) is voluntary. The Pool is not registered with the Securities and Exchange Commission, but operated under the statutory authority of the State of Wisconsin. The LGIP does not have a credit quality rating. The fair value of the District's position in the pool is the same as the value of the pool shares. At June 30, 2015, the pool's fair value was 100 percent of book value.

Investments Authorized by the District's Investment Policy

The District is required to invest its funds in accordance with Wisconsin Statute 66.0603 and 67.11(2). The District's investment policy is to invest in authorized funds that maximize the returns on the District's cash balances consistent with the safety of those monies and with the desired liquidity of the investments.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District's policy is to invest funds with maturities of not more than three years. As of year end, the weighted average maturity of the investments in certificates of deposit is 13.5 months.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 3 - CASH AND INVESTMENTS - CONTINUED

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District holds no securities that are rated by a nationally recognized statistical rating organization.

Concentration of Credit Risk

Concentration of credit risk is defined as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The District's investment policy does not specifically address guidelines regarding concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The District does not have an investment policy that would limit the exposure to custodial credit risk for deposits. The District has securities pledged at one of its financial institutions in its name to cover deposits exceeding federal depository insurance limits in the amount of \$250,000. The Wisconsin State Deposit Guarantee Fund provides coverage for uninsured and uncollateralized cash and investments for up to an additional \$400,000, but collection is not certain due to the limited size of the fund.

At June 30, 2015, the District had \$2,081,699 in deposits with financial institutions in excess of federal depository insurance limits that were collateralized and another \$94,774 that was not collateralized, but was covered by the Wisconsin State Deposit Guarantee Fund. Amounts that may have exceeded these coverage limits varied during the fiscal year.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District does not have an investment policy that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 4 - TRANSFERS

Interfund transfers for the year ended June 30, 2015 are as follows:

<u>TRANSFERS FROM</u>	<u>TRANSFERS TO</u>
General Fund	Food Service Fund
	\$ 17,670

NOTE 5 - SHORT-TERM NOTES PAYABLE

The District has no short-term notes payable at June 30, 2015. During the year, the District took out three short-term notes. The District borrowed \$2,550,000 in October and November of 2014 and repaid the note in December 2014. The District also borrowed \$800,000 in January 2015 and repaid the note in February 2015. The District also borrowed \$750,000 in June of 2015 and repaid the note in June of 2015. Interest expense for the fiscal year on short-term borrowing was \$9,593.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 6 - CAPITAL ASSETS

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

	Balances at July 1, 2014	Additions and Adjustments	Deletions and Adjustments	Balances at June 30, 2015
Governmental Activities				
Land (non-depreciable) and site improvements	\$ 1,283,287	\$ 181,610	\$ -	\$ 1,464,897
Buildings and building improvements	31,957,954	3,170	-	31,961,124
Furniture and equipment	17,631,869	1,393,402	311,399	18,713,872
Totals	<u>50,873,110</u>	<u>1,578,182</u>	<u>311,399</u>	<u>52,139,893</u>
Less accumulated depreciation				
Site improvements	599,108	56,420	-	655,528
Buildings and building improvements	14,066,630	766,571	-	14,833,201
Furniture and equipment	12,294,140	1,108,763	307,598	13,095,305
Totals	<u>26,959,878</u>	<u>1,931,754</u>	<u>307,598</u>	<u>28,584,034</u>
Governmental activities capital assets, net of accumulated depreciation	<u>\$ 23,913,232</u>	<u>\$ (353,572)</u>	<u>\$ 3,801</u>	<u>\$ 23,555,859</u>
Business-Type Activities				
Building	\$ 76,552	\$ -	\$ -	\$ 76,552
Furniture and equipment	452,206	62,774	17,488	497,492
Totals	<u>528,758</u>	<u>62,774</u>	<u>17,488</u>	<u>574,044</u>
Less accumulated depreciation				
Building	28,291	3,718	-	32,009
Furniture and equipment	231,596	29,538	17,488	243,646
Totals	<u>259,887</u>	<u>33,256</u>	<u>17,488</u>	<u>275,655</u>
Business-type activities capital assets, net of accumulated depreciation	<u>\$ 268,871</u>	<u>\$ 29,518</u>	<u>\$ -</u>	<u>\$ 298,389</u>

Depreciation expense was allocated to governmental activities based on functional expense totals as they relate to total functional expenses in the following categories:

Regular instruction	\$ 468,897
Vocational instruction	21,215
Special education instruction	1,059
Other instruction	58,760
Pupil services	647
Instructional staff services	86,434
School administration services	10,122
Business administration services	1,217,029
Central services	67,591
	<u>\$ 1,931,754</u>

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 7 - LONG-TERM OBLIGATIONS

Long-term obligations balances and activity for the year ended June 30, 2015 are as follows:

	Balances at July 1, 2014	Additions	Reductions and Adjustments	Balances at June 30, 2015
Governmental Activities				
General obligation bonds	\$ 3,135,000	\$ -	\$ 1,730,000	\$ 1,405,000
Vacation and sick payable	1,154,628	234,871	118,942	1,270,557
Post retirement health care & other benefits	4,196,447	822,019	1,654,107	3,364,359
Total governmental activity long-term obligations	<u>\$ 8,486,075</u>	<u>\$ 1,056,890</u>	<u>\$ 3,503,049</u>	<u>\$ 6,039,916</u>

The current portion (due within one year) of long-term obligations at June 30, 2015 consists of:

General obligation bonds	\$ 590,000
Vested employee benefits	
Vacation and sick payable	75,000
Post retirement health care and other benefits	750,000
Total current portion of long-term obligations	<u>\$ 1,415,000</u>

Payments on bonds and notes are made by the Debt Service Fund. Vested employee benefits reported as due within one year have been estimated by the District. The benefits will be paid by several of the governmental funds.

Total interest accrued and paid, including fiscal agent fees of \$10,650 for the year ended June 30, 2015 is as follows:

	Accrued	Paid
Short-term borrowing	\$ 9,593	\$ 9,593
Long-term obligations	163,137	174,253
Totals	<u>\$ 172,730</u>	<u>\$ 183,846</u>

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 7 - LONG-TERM OBLIGATIONS - CONTINUED

<u>Description</u>	<u>Issue Dates</u>	<u>Interest Rates (%)</u>	<u>Dates of Maturity</u>	<u>Balance at June 30, 2015</u>	<u>Current Maturities</u>
General					
Obligation					
Refunding					
Bonds	2/15/2007	4.00-4.25%	4/1/2018	1,030,000	405,000
	6/22/2009	1.75-4.20%	4/1/2017	<u>375,000</u>	<u>185,000</u>
Total general obligation debt				<u>\$ 1,405,000</u>	<u>\$ 590,000</u>

The 2014 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,501,856,865. The legal debt limit and margin of indebtedness as of June 30, 2015 in accordance with Wisconsin Statutes is as follows:

Debt limit	
(10% of \$1,501,856,865)	\$ 150,185,687
Deduct long-term debt applicable to debt margin	<u>1,405,000</u>
Margin of indebtedness	<u>\$ 148,780,687</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest on bonds and loans at June 30, 2015 is as follows:

<u>Year ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 590,000	\$ 83,726	\$ 673,726
2017	615,000	34,543	649,543
2018	<u>200,000</u>	<u>8,500</u>	<u>208,500</u>
Totals	<u>\$ 1,405,000</u>	<u>\$ 126,769</u>	<u>\$ 1,531,769</u>

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 8 - CURRENT YEAR DEBT DEFEASANCE

In April 2015, the District defeased \$1,165,000 of the 2007C G.O. Refunding Bonds by placing \$1,187,026 into an irrevocable trust from its available cash on hand to provide for all future debt service payments on the series 2007C bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. Estimated savings from this defeasance is \$149,043.

In May 2014, the District defeased \$535,000 of the 2007C G.O. Refunding Bonds by placing \$565,367 into an irrevocable trust from its available cash on hand to provide for all future debt service payments on the series 2007C bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

At June 30, 2015, bonds outstanding of \$1,700,000 are considered defeased.

NOTE 9 - EMPLOYEE RETIREMENT PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7.0%
2006	0.8	3.0
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0

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

During the reporting period, the WRS recognized \$1,220,786 in contributions from the employer.

Contribution rates as of June 30, 2015 are:

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

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

At June 30, 2015, the District reported a liability (asset) of (\$3,162,613) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was 0.12875654%, which was a decrease of 0.00190451% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015 the District recognized pension expense of \$1,248,096.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 458,480	\$ -
Changes in assumptions	\$ -	\$ -
Net differences between projected and actual earnings on pension plan investments	\$ 1,531,489	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$ 30,803	\$ -
Employer contributions subsequent to the measurement date	\$ 678,150	\$ -
Total	\$ 2,698,922	\$ -

\$678,150 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Year ended June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources
2016	\$ 397,138	\$ -
2017	\$ 397,138	\$ -
2018	\$ 397,138	\$ -
2019	\$ 397,138	\$ -
2020	\$ 397,138	\$ -
Thereafter	\$ 35,082	\$ -

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.

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:

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21.0%
International Equities	5.7%	23.0%
Fixed Income	1.7%	36.0%
Inflation Sensitive Assets	2.3%	20.0%
Real Estate	4.2%	7.0%
Private Equity/Debt	6.9%	7.0%
Multi-Asset	3.9%	6.0%
Cash	0.9%	-20.0%

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:

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2015

NOTE 9 - EMPLOYEE RETIREMENT PLAN - CONTINUED

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
District's proportionate share of the net pension liability (asset)	\$8,922,276	\$(3,162,613)	\$(12,706,769)

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

Payables to the pension plan

The District's payable to WRS as of June 30, 2015 was \$382,335.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

A description of the single-employer benefit plan is as follows:

Group	Eligibility		Benefit Description								
	Age	Service									
Teachers hired prior to 7/1/07	55	15	Teachers who retired before July 1, 2009 received 100% of medical premium; frozen at rate at retirement for 10 years. The Medicare supplement rate is paid after age 65.								
	55 (1)	15 (1)	Teachers who retired after July 1, 2009 until June 30, 2012 had the option to choose a) or b) below paid over 84 months: a) The District will deposit into a Health Retirement Account (HRA) \$4,000 per year of service, not to exceed 40 years b) The District will deposit into an HRA an amount equal to 100% of the monthly health insurance premium, frozen at the rate at retirement.								
	55 (1)	15 (1)	Teachers who retired after June 30, 2012, the District will deposit into a Health Reimbursement Account (HRA) an amount equal to the teacher's continuous years of service, not to exceed 40 years, times the amount in the table below, paid in equal installments over 84 months. <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Retiring in School Year</u></th> <th style="text-align: left;"><u>Amount</u></th> </tr> </thead> <tbody> <tr> <td>2012-2013</td> <td>\$4,000</td> </tr> <tr> <td>2013-2016</td> <td>\$3,000</td> </tr> <tr> <td>2017 -2018 and later</td> <td>\$2,000</td> </tr> </tbody> </table>	<u>Retiring in School Year</u>	<u>Amount</u>	2012-2013	\$4,000	2013-2016	\$3,000	2017 -2018 and later	\$2,000
<u>Retiring in School Year</u>	<u>Amount</u>										
2012-2013	\$4,000										
2013-2016	\$3,000										
2017 -2018 and later	\$2,000										
Teachers hired 7/1/07 or later	55 (1)	15 (1)	The District will deposit \$1,250 per year into an investment account during the term of the teacher's employment with the District for a period not to exceed 25 years. The account balance, including interest, will be placed into a 403(b) account upon completion of 5 years of continuous service with the District, and each year thereafter. (This is a non-OPEB benefit.)								
Administrators	57	8	Administrators that retired before July 1, 2009 were paid under option c) below.								
			<u>Administrators that retire after July 1, 2009:</u>								
	55 (1)	15 (1)	Administrators hired before the 2005-2006 school year have the option to choose a), b), or c) below.								
	55 (1)	15 (1)	Administrators hired during or after the 2005-2006 school year have the option to choose a) or b) below. a) The District will deposit into a Health Reimbursement Account (HRA) an amount equal to the Administrator's continuous years of service, not to exceed 40 years, times \$4,000, paid in equal installments over 84 months. b) The District will deposit into a HRA an amount equal to 100% of the premium rate on June 30th of the year the retirement is to commence. For administrators hired after July 1, 2010, the District will deposit into a HRA an amount equal to 80% of the premium rate on June 30th of the year the retirement is to commence. The deposits will be made on a monthly basis and will cease after 84 months. Administrators need to work 5 additional days a year to be eligible. c) The retiree must be at least 57 years old at retirement. The District will pay the percent of premium as shown below for 8 years, based on the years of service at retirement <table style="margin-left: 40px; border-collapse: collapse; width: 50%;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: left;"><u>Percent of Premium</u></th> </tr> </thead> <tbody> <tr> <td>10 to 14</td> <td>50%</td> </tr> <tr> <td>15 to 20</td> <td>75%</td> </tr> <tr> <td>20 or more</td> <td>100%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>Percent of Premium</u>	10 to 14	50%	15 to 20	75%	20 or more	100%
<u>Years of Service</u>	<u>Percent of Premium</u>										
10 to 14	50%										
15 to 20	75%										
20 or more	100%										

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Group	Eligibility		Benefit Description
	Age	Service	
Non-Teaching Support Staff	55	15	Severance pay will be deposited into an HRA for half of the employee's accumulated sick leave, up to a maximum of 60 days. Severance pay for each day of eligibility will be based on the average per day for the last 5 years. (This is a non-OPEB benefit)
Office Staff hired before 1/1/09	55	15	Office staff who retired before July 1, 2009 received 100% of monthly medical premium; frozen at rate at retirement; payable for 10 years. The Medicare supplement rate is paid after age 65.
	55 (1)	15 (1)	Office staff who retire after July 1, 2009 until June 30, 2012 had the option to choose a) or b) below paid over 84 months: a) The District will deposit into a Health Retirement Account (HRA) \$4,000 per year of service, not to exceed 40 years. b) The District will deposit into an HRA an amount equal to 100% of the monthly health insurance premium, frozen at rate at retirement.
	55 (1)	15 (1)	For office staff who retire after June 30, 2012, the District will deposit into a Health Reimbursement Account (HRA) an amount equal to the employee's continuous years of service, not to exceed 40 years, times \$4,000, paid in equal installments over 84 months. The District will also deposit into the HRA account 50% of the accumulated value of unused sick leave (up to 60 days) at retirement.
Office Staff hired 1/1/09 or later	55 (1)	15 (1)	The District will deposit \$1,500 per year into an investment account during the term of the office staff's employment with the District for a period not to exceed 25 years. See District agreements for further clarification regarding vesting period and account information. (This is a non-OPEB benefit.)

(1) Age plus service must be at least 75 or greater.

Account values are prorated for part-time Teachers and Administrators.

Surviving spouses are eligible to continue receiving benefits until the account values are exhausted.

Retirees are eligible to continue coverage once the account values are exhausted by paying 100% of the premiums.

Severance pay will be deposited into an HRA for half of the employee's accumulated sick leave, up to a maximum of 60 days for retiring administrators and office staff.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
Year ended June 30, 2015

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

In addition to the pension benefits described in Note 9, the District provides various early retirement benefits to eligible staff. The benefit is determined based on position, longevity and union membership (if applicable). Details of these benefit programs are summarized on the previous page. Expenditures for these benefits are recognized on a pay-as-you-go basis in the fund statements and on the full accrual basis using the valuation methods required in Governmental Accounting Standards Board (GASB) Statement No. 45 in the Statement of Activities. There were 64 retirees receiving benefits and 23 employees were eligible to receive benefits in the fiscal year ended June 30, 2015.

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes, based on the plan as understood by the employer and plan members and used to determine the Other Post-Employment Benefits (OPEB) liability of the District, include using projected unit credit for pay-related benefits method, a 4% discount rate based on the plan being funded into an irrevocable employee benefit trust fund invested in a long-term fixed income portfolio, no expenses, and an initial healthcare trend rate of 7.5% in 2015 and 2016 with a one-half percent every two years decrease until leveling off in 2023 and later at 5.5%. The UAAL is being amortized over 24 years, with 23 years remaining as of June 30, 2015, using the level dollar method. Demographic assumptions are based on those used to value the pension plan of the Wisconsin Retirement System with some consideration given to differences exhibited by the employees of the Tomah Area School District.

The discount rate was chosen assuming that the plan will be funded into an irrevocable trust at the minimum level required by the Wisconsin Department of Public Instruction to receive categorical aid. If the District chooses to fund the plan at a different level, the discount rate must be adjusted accordingly to reflect the rate of return on the assets which will be used to pay the benefits.

Funding Policy. The plan is being funded by making contributions into an irrevocable employee benefit trust in an amount at least equal to the minimum required by the Department of Public Instruction (DPI) to receive categorical aid. At June 30, 2015, the District has \$558,745 in its OPEB trust. The general fund, special education, and food service funds are used for funding of all pension/retirement benefits. The employer makes all contributions.

Annual Pension Cost and Net Pension Obligation. The District's annual pension cost and net pension obligation for the current year is:

Component	Amount
Annual required contribution (ARC)	\$ 940,403
Adjustment to ARC	(286,241)
Interest on net pension obligation	167,857
Annual pension cost (expense)	822,019
Pension payments made	1,654,107
Decrease in net pension obligation	(832,088)
Net pension obligation - beginning of year	4,196,447
Net pension obligation - end of year	\$ 3,364,359

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2015

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONTINUED

Funded Status and Funding Progress. The District implemented GASB Statement No. 45 for the first time for the fiscal year ending June 30, 2009. See page 42 for information on funding status and progress.

Fiscal Year <u>Ended</u>	Annual <u>Pension Cost</u>	Percentage of Annual Pension Cost <u>Contributed</u>	Net Pension <u>Obligation</u>
6/30/2015	\$ 822,019	201.25%	\$3,364,359
6/30/2014	\$1,127,834	140.36%	\$4,196,447
6/30/2013	\$1,111,435	119.23%	\$4,651,593
6/30/2012	\$1,600,600	87.09%	\$4,865,357
6/30/2011	\$1,600,322	58.79%	\$4,658,730
6/30/2010	\$2,768,543	33.70%	\$3,999,247
6/30/2009	\$2,786,626	22.35%	\$2,163,756

GASB Statement No. 45 required that the Tomah Area School District implement this new standard for the fiscal year 2009, which began July 1, 2008. The District established the "Tomah Area School District Post Employment Trust" and chose to implement this standard prospectively, meaning that the liability started at zero on July 1, 2008, but the liability will grow or shrink every year that the District makes contributions less than or greater than the annual OPEB cost.

NOTE 11 - FUND BALANCES AND NET POSITION

Fund Balance

At June 30, 2015, the District has a restricted general fund balance of \$294,175 for payments potentially due to qualifying individual employee 403(b) retirement plans and the remaining \$4,219,136 of the general fund balance is unassigned.

Net position

At June 30, 2015, food service net position of \$393,267 was invested in fixed assets, and \$92,898 was restricted for food service programs.

At June 30, 2015, the Governmental Activities net position balance after subtracting net investment in capital assets, and the amounts restricted for debt service and other activities is (\$415,780).

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

The District had no functions that had an excess of actual expenditures over budget for the year ended June 30, 2015.

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2015

NOTE 13 - OPERATING LEASE, AS LESSEE

The District, as lessee, leases copy machines at varying monthly payments. The leases expire at various times through March 2019. Lease expenses for the year ended June 30, 2015 were \$76,422. Minimum annual lease payments are as follows:

Year ended June 30, 2016	\$	38,196
2017		2,912
2018		2,912
2019		<u>2,183</u>
Total minimum lease payments required	\$	<u>46,203</u>

NOTE 14 - CONTRACTUAL OBLIGATIONS

The District has entered into long-term service agreements for preventative maintenance on the heating and air conditioning equipment in all schools and administrative offices. Contractual obligation expenses for the year ended June 30, 2015 were \$37,855. The annual payments due on these contracts are as follows:

	Heating and Air Conditioning Maintenance
Year ended June 30, 2016	\$ <u>20,000</u>
Total required minimum contractual payments	\$ <u>20,000</u>

NOTE 15 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District insures through commercial insurance companies for all risks of loss, except for health and dental care. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 16 - 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

Tomah Area School District
NOTES TO FINANCIAL STATEMENTS - CONTINUED
 Year ended June 30, 2015

NOTE 17 - RESTATEMENT OF NET POSITION

During the year, the District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions. By implementing Statement No. 68, the District restated its net position as of July 1, 2014 as follows:

	Governmental Activities	Business- Type Activities	Total District
Balance at beginning of year	\$ 20,207,433	\$ 279,306	\$ 20,486,739
Net pension asset	4,996,771	154,539	5,151,310
Deferred outflows of resources - net pension asset	691,842	21,397	713,239
	5,688,613	175,936	5,864,549
Balance at beginning of year - as restated	\$ 25,896,046	\$ 455,242	\$ 26,351,288

REQUIRED SUPPLEMENTARY INFORMATION

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
POST-EMPLOYMENT BENEFIT PLANS
Year ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>Other Post-employment Benefits</u>						
6/30/2015	\$ 558,745	\$ 9,528,613	\$ 8,969,868	5.86%	\$ 13,440,828	66.74%
6/30/2014	399,486	10,989,087	10,589,601	3.64%	13,282,069	79.73%
6/30/2013	314,926	10,989,087	10,674,161	2.87%	13,437,765	79.43%
6/30/2012	244,495	16,122,413	15,877,918	1.52%	13,037,975	121.78%
6/30/2011	168,981	15,697,039	15,528,058	1.08%	14,015,788	110.79%
6/30/2010	114,641	15,697,039	15,582,398	0.73%	13,595,369	114.62%
6/30/2009	64,573	24,817,279	24,752,706	0.26%	13,685,404	180.87%
6/30/2008	33,906	23,213,747	23,179,841	0.15%	12,722,890	182.19%
6/30/2007	5,000	11,156,748	11,151,748	0.04%	11,570,298	96.38%

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF
THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System
Year ended June 30, 2015

	2015
District's proportion of the net pension liability (asset)	.12875654%
District's proportionate share of the net pension liability (asset)	\$(3,162,613)
District's covered-employee payroll	\$17,439,794
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%

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

Tomah Area School District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS
Wisconsin Retirement System
Year ended June 30, 2015

	2015
Contractually required contributions	\$ 1,220,786
Contributions in relation to the contractually required contributions	\$ 1,220,786
Contribution deficiency (excess)	\$ -
District's covered-employee payroll	\$17,439,794
Contributions as a percentage of covered-employee payroll	7.00%

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

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

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

Changes of assumptions. There were no changes in the assumptions.

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND - FUNDS 10 AND 27
Year ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Property taxes	\$ 10,959,093	\$ 10,928,417	\$ 10,928,417	\$ -
Other local sources	141,130	156,706	165,433	8,727
Interdistrict sources	306,537	244,242	244,241	(1)
Intermediate sources	20,535	23,325	23,325	-
State sources	19,215,459	19,423,326	19,423,326	-
Federal sources	2,028,166	1,988,624	2,023,879	35,255
Other sources	157,289	207,867	151,961	(55,906)
Total revenues	32,828,209	32,972,507	32,960,582	(11,925)
Expenditures				
Instruction				
Regular instruction	13,906,440	14,243,972	14,243,972	-
Vocational instruction	789,859	800,802	800,802	-
Special instruction	3,164,234	3,317,838	3,317,838	-
Other instruction	1,365,363	1,342,736	1,342,736	-
Total instruction	19,225,896	19,705,348	19,705,348	-
Support services				
Instructional staff services	1,349,894	1,462,132	1,462,132	-
General administration services	336,210	345,431	345,431	-
Building administration services	1,396,618	1,408,679	1,408,679	-
Business administration services	5,894,401	5,952,524	5,952,524	-
Central services	509,527	525,824	525,824	-
Insurance	333,742	323,637	323,636	1
Principal and interest	10,000	9,593	9,593	-
Other support services	1,525,943	835,752	825,884	9,868
Total support services	12,542,337	12,049,951	12,040,082	9,869
Non-program services	1,064,282	1,065,294	1,065,095	199
Total expenditures	32,832,515	32,820,593	32,810,525	10,068
Excess (deficiency) of revenues over expenditures	(4,306)	151,914	150,057	(1,857)
Other financing sources (uses)				
Proceeds from sale of fixed assets	12,000	-	11,923	11,923
Transfer from (to) other funds	(7,694)	(17,670)	(17,670)	-
	<u>4,306</u>	<u>(17,670)</u>	<u>(5,747)</u>	<u>11,923</u>
Net change in fund balance	-	134,244	144,310	10,066
Fund balance at July 1, 2014	4,369,001	4,369,001	4,369,001	-
Fund balance at June 30, 2015	<u>\$ 4,369,001</u>	<u>\$ 4,503,245</u>	<u>\$ 4,513,311</u>	<u>\$ 10,066</u>

Tomah Area School District
**RECONCILIATION SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE**
BUDGET AND ACTUAL - REGULATORY BASIS TO GAAP BASIS
GENERAL FUND AND SPECIAL EDUCATION FUND
Year ended June 30, 2015

	General Fund - Fund 10			Special Education Fund - Fund 27			Combined Fund 10 and 27		
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	Budgeted Amounts		Actual
	Original	Final		Original	Final		Original	Final	
Revenues									
Property taxes	\$ 10,959,093	\$ 10,928,417	\$ 10,928,417	\$ -	\$ -	\$ -	\$ 10,959,093	\$ 10,928,417	\$ 10,928,417
Other local sources	141,130	156,706	165,433	-	-	-	141,130	156,706	165,433
Interdistrict sources	306,537	244,242	244,241	-	-	-	306,537	244,242	244,241
Intermediate sources	2,000	6,677	6,677	18,535	16,648	16,648	20,535	23,325	23,325
State sources	18,177,757	18,375,912	18,375,912	1,037,702	1,047,414	1,047,414	19,215,459	19,423,326	19,423,326
Federal sources	1,290,484	1,274,247	1,309,502	737,682	714,377	714,377	2,028,166	1,988,624	2,023,879
Other sources	157,289	207,867	151,961	-	-	-	157,289	207,867	151,961
Total revenues	31,034,290	31,194,068	31,182,143	1,793,919	1,778,439	1,778,439	32,828,209	32,972,507	32,960,582
Expenditures									
Instruction									
Regular instruction	13,906,440	14,243,972	14,243,972	-	-	-	13,906,440	14,243,972	14,243,972
Vocational instruction	789,859	800,802	800,802	-	-	-	789,859	800,802	800,802
Special instruction	-	-	-	3,164,234	3,317,838	3,317,838	3,164,234	3,317,838	3,317,838
Other instruction	1,354,974	1,333,314	1,333,314	10,389	9,422	9,422	1,365,363	1,342,736	1,342,736
Total instruction	16,051,273	16,378,088	16,378,088	3,174,623	3,327,260	3,327,260	19,225,896	19,705,348	19,705,348
Support services									
Pupil services	759,254	739,265	739,265	426,748	447,114	447,114	1,186,002	1,186,379	1,186,379
Instructional staff services	1,050,782	1,166,807	1,166,807	299,112	295,325	295,325	1,349,894	1,462,132	1,462,132
General administration services	336,210	345,431	345,431	-	-	-	336,210	345,431	345,431
Building administration services	1,396,618	1,408,679	1,408,679	-	-	-	1,396,618	1,408,679	1,408,679
Business administration services	5,677,130	5,711,930	5,711,930	217,271	240,594	240,594	5,894,401	5,952,524	5,952,524
Central services	494,527	511,592	511,592	15,000	14,232	14,232	509,527	525,824	525,824
Insurance	333,742	323,637	323,636	-	-	-	333,742	323,637	323,636
Principal and interest	10,000	9,593	9,593	-	-	-	10,000	9,593	9,593
Other support services	1,525,943	835,752	825,884	-	-	-	1,525,943	835,752	825,884
Total support services	11,584,206	11,052,686	11,042,817	958,131	997,265	997,265	12,542,337	12,049,951	12,040,082
Non-program services	833,840	803,378	803,179	230,442	261,916	261,916	1,064,282	1,065,294	1,065,095
Total expenditures	28,469,319	28,234,152	28,224,084	4,363,196	4,586,441	4,586,441	32,832,515	32,820,593	32,810,525
Excess of revenues over (under) expenditures	2,564,971	2,959,916	2,958,059	(2,569,277)	(2,808,002)	(2,808,002)	(4,306)	151,914	150,057
Other financing sources (uses)									
Proceeds from sale of fixed assets	12,000	-	11,923	-	-	-	12,000	-	11,923
Transfer from (to) other funds	(2,576,971)	(2,825,672)	(2,825,672)	2,569,277	2,808,002	2,808,002	(7,694)	(17,670)	(17,670)
	<u>(2,564,971)</u>	<u>(2,825,672)</u>	<u>(2,813,749)</u>	<u>2,569,277</u>	<u>2,808,002</u>	<u>2,808,002</u>	<u>4,306</u>	<u>(17,670)</u>	<u>(5,747)</u>
Net change in fund balance	-	134,244	144,310	-	-	-	-	134,244	144,310
Fund balance at July 1, 2014	4,369,001	4,369,001	4,369,001	-	-	-	4,369,001	4,369,001	4,369,001
Fund balance at June 30, 2015	<u>\$ 4,369,001</u>	<u>\$ 4,503,245</u>	<u>\$ 4,513,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,369,001</u>	<u>\$ 4,503,245</u>	<u>\$ 4,513,311</u>

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
REFERENDUM DEBT - FUND 39
Year ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$ 1,041,088	\$ 1,691,000	\$ 1,691,000	\$ -
Other local sources	-	2,276	2,276	-
Total revenues	1,041,088	1,693,276	1,693,276	-
Expenditures				
Support services				
Principal and interest	1,060,257	1,707,933	1,707,933	-
Total expenditures	1,060,257	1,707,933	1,707,933	-
Net change in fund balance	(19,169)	(14,657)	(14,657)	-
Fund balance at July 1, 2014	349,195	349,195	349,195	-
Fund balance at June 30, 2015	<u>\$ 330,026</u>	<u>\$ 334,538</u>	<u>\$ 334,538</u>	<u>\$ -</u>

Tomah Area School District
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
NON-REFERENDUM DEBT - FUND 38
Year ended June 30, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property taxes	\$ 193,258	\$ 193,258	\$ 193,258	\$ -
Total revenues	193,258	193,258	193,258	-
Expenditures				
Support services Principal and interest	196,320	196,320	196,320	-
Total expenditures	196,320	196,320	196,320	-
Net change in fund balance	(3,062)	(3,062)	(3,062)	-
Fund balance at July 1, 2014	13,680	13,680	13,680	-
Fund balance at June 30, 2015	<u>\$ 10,618</u>	<u>\$ 10,618</u>	<u>\$ 10,618</u>	<u>\$ -</u>

OTHER SUPPLEMENTARY INFORMATION

Tomah Area School District

BALANCE SHEET

DEBT SERVICE FUNDS

June 30, 2015

Fund Number:	<u>(39)</u>	<u>(38)</u>	
	<u>Referendum</u>	<u>Non-Referendum</u>	<u>Total</u>
Assets			
Cash and investments	\$ 334,538	\$ 10,618	\$ 345,156
Due from other funds	-	-	-
 Total assets	 <u>\$ 334,538</u>	 <u>\$ 10,618</u>	 <u>\$ 345,156</u>
Liabilities and fund balances			
Fund balances			
Restricted	\$ 334,538	\$ 10,618	\$ 345,156
 Total liabilities and fund balances	 <u>\$ 334,538</u>	 <u>\$ 10,618</u>	 <u>\$ 345,156</u>

Tomah Area School District
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS**
Year ended June 30, 2015

Fund Number:	<u>(39)</u>	<u>(38)</u>	
	<u>Referendum</u>	<u>Non-Referendum</u>	<u>Total</u>
Revenues			
Property taxes	\$ 1,691,000	\$ 193,258	\$ 1,884,258
Other local sources	<u>2,276</u>	<u>-</u>	<u>2,276</u>
Total revenues	1,693,276	193,258	1,886,534
Expenditures			
Support services			
Principal and interest	<u>1,707,933</u>	<u>196,320</u>	<u>1,904,253</u>
Total expenditures	<u>1,707,933</u>	<u>196,320</u>	<u>1,904,253</u>
Net change in fund balance	(14,657)	(3,062)	(17,719)
Fund balance at July 1, 2014	<u>349,195</u>	<u>13,680</u>	<u>362,875</u>
Fund balance at June 30, 2015	<u>\$ 334,538</u>	<u>\$ 10,618</u>	<u>\$ 345,156</u>

Tomah Area School District
BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015

Fund Number:	Special Revenue Funds		Total
	(21)	(29)	
	Special Revenue Trust Fund	Indian Education Fund	
Assets			
Cash and investments	\$ 105,768	\$ -	\$ 105,768
Total assets	\$ 105,768	\$ -	\$ 105,768
Liabilities and fund balances			
Fund balances			
Restricted	\$ 105,768	\$ -	\$ 105,768
Total liabilities and fund balances	\$ 105,768	\$ -	\$ 105,768

Tomah Area School District
**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS**
Year ended June 30, 2015

Fund Number:	Special Revenue Funds		Total
	(21)	(29)	
	Special Revenue Trust Fund	Indian Education Fund	
Revenues			
Other local sources	\$ 147,845	\$ -	\$ 147,845
Federal sources	-	26,142	26,142
Total revenues	147,845	26,142	173,987
Expenditures			
Instruction			
Regular instruction	29,047	-	29,047
Other instruction	14,316	-	14,316
Total instruction	43,363	-	43,363
Support services			
Pupil services	60	26,142	26,202
Instructional staff services	9,048	-	9,048
Business administration	75,856	-	75,856
Central services	387	-	387
Total support services	85,351	26,142	111,493
Total expenditures	128,714	26,142	154,856
Net change in fund balance	19,131	-	19,131
Fund balance at July 1, 2014	86,637	-	86,637
Fund balance at June 30, 2015	\$ <u>105,768</u>	\$ <u>-</u>	\$ <u>105,768</u>

Tomah Area School District
PUPIL ACTIVITY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Year ended June 30, 2015

	Balance at July 1, 2014	Additions and Transfers In	Deductions and Transfers Out	Balance at June 30, 2015
ASSETS				
Cash and investments	\$ 119,328	\$ 656,541	\$ 627,952	\$ 147,917
Total assets	<u>\$ 119,328</u>	<u>\$ 656,541</u>	<u>\$ 627,952</u>	<u>\$ 147,917</u>
LIABILITIES				
Due to student organizations				
Camp Douglas	\$ 958	\$ 1,399	\$ 1,382	\$ 975
District office	15,127	11,451	7,275	19,303
La Grange	3,804	18,123	13,672	8,255
Lemonweir	3,419	18,365	13,664	8,120
Miller	1,064	7,669	6,779	1,954
Middle School	24,683	136,018	141,273	19,428
Oakdale	199	1,103	759	543
Senior High School	65,360	447,828	431,433	81,755
Warrens	2,155	7,444	6,417	3,182
Wyeville	2,067	6,618	4,644	4,041
Learning Center	492	523	654	361
Total liabilities	<u>\$ 119,328</u>	<u>\$ 656,541</u>	<u>\$ 627,952</u>	<u>\$ 147,917</u>

Tomah Area School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2015

	Federal Catalog Number	Program or Award Amount	Receivable at July 1, 2014	Expenditures	Revenues Grantor	Receivable at June 30, 2015	Footnote
United States Department of Agriculture							
Passed through Wisconsin Department of Public Instruction							
Food Distribution	10.555	*					
July 1, 2014 to June 30, 2015		N/A	\$ -	\$ 110,617	\$ 110,617	\$ -	3
School Breakfast Program	10.553	*					
July 1, 2013 to June 30, 2014		N/A	4,402	-	4,402	-	
July 1, 2014 to June 30, 2015		N/A	-	106,925	106,925	-	2
National School Lunch Program	10.555	*					
July 1, 2013 to June 30, 2014		N/A	25,494	-	25,494	-	
July 1, 2014 to June 30, 2015		N/A	-	527,148	527,148	-	2
Summer Food Service Program	10.559	*					
July 1, 2013 to June 30, 2014		N/A	7,352	-	7,352	-	
July 1, 2014 to June 30, 2015		N/A	-	63,676	51,372	12,304	
Subtotal Child Nutrition Cluster			<u>38,198</u>	<u>808,366</u>	<u>833,310</u>	<u>12,304</u>	
Total United States Department of Agriculture			38,198	808,366	833,310	12,304	
United States Department of Education							
Passed through Wisconsin Department of Public Instruction							
Title 1 Basic Grant	84.010						
July 1, 2013 to June 30, 2014		N/A	159,107	-	159,107	-	
July 1, 2014 to June 30, 2015		\$ 695,913	-	669,728	542,550	127,178	
Carl Perkins Vocational Education	84.048						
July 1, 2013 to June 30, 2014		N/A	17,494	-	17,494	-	
July 1, 2014 to June 30, 2015		\$ 30,055	-	30,055	20,088	9,967	
Special Education (IDEA) Cluster	84.027						
PL 94-142 Idea Flow-Through							
July 1, 2013 to June 30, 2014		N/A	109,626	-	109,626	-	
July 1, 2014 to June 30, 2015		\$ 605,761	-	566,811	512,694	54,117	
PL 99-457 Pre-School Entitlement	84.173						
July 1, 2013 to June 30, 2014		N/A	4,282	-	4,282	-	
July 1, 2014 to June 30, 2015		\$ 18,083	-	16,909	15,321	1,588	
Subtotal Special Education (IDEA) Cluster			<u>113,908</u>	<u>583,720</u>	<u>641,923</u>	<u>55,705</u>	
Title IIA Teacher and Principal Training	84.367						
July 1, 2013 to June 30, 2014		N/A	55,724	-	55,724	-	
July 1, 2014 to June 30, 2015		\$ 139,797	-	126,170	89,372	36,798	
Title V Charter Schools	84.282						
July 1, 2014 to June 30, 2015		\$ 175,000	-	142,222	64,000	78,222	
Total passed through Wisconsin Department of Public Instruction			<u>346,233</u>	<u>1,551,895</u>	<u>1,590,258</u>	<u>307,870</u>	
Passed through Cooperative Educational Services Agency #4							
PL 99-457 Preschool Entitlement (IDEA Cluster)	84.173						
July 1, 2014 to June 30, 2015		\$ 15,000	-	15,000	15,000	-	
Total passed through Cooperative Educational Services Agency #4			-	15,000	15,000	-	
Passed through Cooperative Educational Services Agency #11							
PL 99-457 Preschool Entitlement (IDEA Cluster)	84.173						
July 1, 2014 to June 30, 2015		\$ 1,500	-	1,500	1,500	-	
Total passed through Cooperative Educational Services Agency #11			-	1,500	1,500	-	

* Denotes major program

Tomah Area School District
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
 Year ended June 30, 2015

	Federal Catalog Number	Program or Award Amount	Receivable at July 1, 2014	Expenditures	Revenues Grantor	Receivable at June 30, 2015	Footnote
United States Department of Education - Continued							
Direct Programs							
PL 81-874 Impact Aid	84.041						
July 1, 2014 to June 30, 2015		\$ 134,071	-	134,071	134,071	-	
Indian Education Act	84.060A						
July 1, 2014 to June 30, 2015		\$ 26,142	-	26,142	26,142	-	
Total direct programs			-	160,213	160,213	-	
Total United States Department of Education			346,233	1,728,608	1,766,971	307,870	
United States Department of Health and Human Services							
Passed through the University of Wisconsin System							
Community Transformation Grant	93.531						
September 30, 2013 to September 29, 2014		N/A	11,778	-	11,778	-	
September 30, 2014 to December 31, 2014		\$ 31,340	-	31,340	31,340	-	
			11,778	31,340	43,118	-	
Passed through State of Wisconsin Health Care							
Financing Programs							
Medicaid	93.778 *						
July 1, 2013 to June 30, 2014		N/A	12,973	-	12,973	-	
July 1, 2014 to June 30, 2015		N/A	-	165,912	161,435	4,477	
			12,973	165,912	174,408	4,477	
Total United States Department of Health and Human Services			24,751	197,252	217,526	4,477	
United States Department of Defense Education Activity (DoDEA)							
Direct							
Promoting K-12 Student Achievement at Military							
Connected Schools	12.556						
September 1, 2013 to August 31, 2014		N/A	76,561	-	76,561	-	
September 1, 2014 to August 31, 2015		\$ 172,000	-	172,000	117,932	54,068	
Total United States Environmental Protection Agency			76,561	172,000	194,493	54,068	
Total federal financial assistance			\$ 485,743	\$ 2,906,226	\$ 3,012,300	\$ 378,719	

* Denotes major program

Note 1: This statement is prepared using the same basis of accounting as the District's financial statements. The District uses the accrual basis of accounting. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

Note 2: The amount shown as current year expenses represent the federal grant portion of the grant program costs that are aided by the grant. Entire program costs including other local revenues may be more than shown.

Note 3: The amount of commodities reported on the schedule is the value of commodities received by the District in the current year and are priced as prescribed by the Wisconsin Department of Public Instruction.

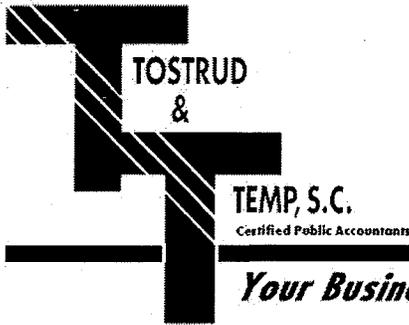
Note 4: All costs reported are direct costs. No indirect costs were used.

Tomah Area School District
SCHEDULE OF STATE FINANCIAL ASSISTANCE
 Year ended June 30, 2015

	I.D. Number	Program or Award Amount	Receivable at July 1, 2014	Expenditures	Revenue State Reimbursements	Receivable at June 30, 2015
WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT						
Cost Reimbursement Programs - Non-major						
Youth Apprenticeship	445.107					
July 1, 2013 to June 30, 2014		N/A	\$ 9,660	\$ -	\$ 9,660	\$ -
July 1, 2014 to June 30, 2015		\$ 6,152	-	6,152	6,152	-
Wisconsin Fast Forward	445.109					
July 1, 2014 to June 30, 2015		\$ 52,570	-	51,876	1,075	50,801
Total Direct			<u>9,660</u>	<u>58,028</u>	<u>16,887</u>	<u>50,801</u>
Passed through CESA #6						
Wisconsin Fast Forward	445.109					
July 1, 2014 to June 30, 2015		\$ 125	-	125	125	-
Total Wisconsin Department of Workforce Development			<u>9,660</u>	<u>58,153</u>	<u>17,012</u>	<u>50,801</u>
WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION						
Cost Reimbursement Programs - Non-major						
Passed through Wisconsin Department of Public Instruction						
Peer Review and Mentoring	255.355					
July 1, 2013 to June 30, 2014		N/A	10,438	-	10,438	-
July 1, 2014 to June 30, 2015		\$ 24,800	-	24,800	24,800	-
American Indian Language Revitalization	255.364					
July 1, 2013 to June 30, 2014		N/A	4,995	-	4,995	-
July 1, 2014 to June 30, 2015		\$ 7,000	-	6,950	4,860	2,090
Educator Effectiveness Grant	255.940					
July 1, 2014 to June 30, 2015		\$ 20,080	-	20,080	20,080	-
Career and Technical Education Incentive	255.950					
July 1, 2014 to June 30, 2015		\$ 3,000	-	3,000	3,000	-
Total direct			<u>15,433</u>	<u>54,830</u>	<u>68,173</u>	<u>2,090</u>
Passed through CESA #4						
Peer Review and Mentoring	255.355					
July 1, 2014 to June 30, 2015		\$ 400	-	400	400	-
Total Department of Public Instruction			<u>15,433</u>	<u>55,230</u>	<u>68,573</u>	<u>2,090</u>
			<u>\$ 25,093</u>	<u>\$ 113,383</u>	<u>\$ 85,585</u>	<u>\$ 52,891</u>
Entitlement Programs						
Major State Programs (A)						
Handicapped Pupils and School Age Parents:						
Internal District Programs	255.101		<u>\$ 3,949,486</u>	\$ 1,027,772		
Participant in Package Program at CESA #4				113		
Participant in Package Program at CESA #5				35		
Total Handicapped Program				<u>1,027,920</u>		
Pupil Transportation	255.107			134,694		
Common School Fund	255.103			131,315		
General Equalization	255.201			17,401,188		
Per Pupil Adjustment Aid	255.945			460,050		
Total major programs				<u>\$ 19,155,167</u>		
Non-major State Programs (B)						
State School Lunch Aid	255.102			\$ 15,253		
High Cost Special Education Aid	255.210			3,472		
School Breakfast Program	255.344			5,863		
Tuition Payments by State	255.401			34,517		
High Cost Transportation Aid	255.947			75,072		
Total non-major programs				<u>134,177</u>		
Total Wisconsin DPI				<u>\$ 19,344,574</u>		
WISCONSIN DEPARTMENT OF REVENUE						
Exempt Computer Aid						
Total State Assistance				<u>\$ 32,468</u>		
				<u>\$ 19,435,195</u>		

NOTE: (A) Major by definition
 (B) Non-major if under \$100,000

OTHER REPORTS



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Your Business Safety Net

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

Board of Education
Tomah Area School District
Tomah, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Tomah Area School 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 October 26, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

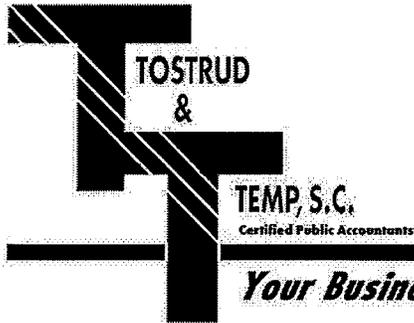
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

Testrud & Temp, S.C.

October 26, 2015



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Your Business Safety Net

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
WISCONSIN STATE SINGLE AUDIT GUIDELINES**

Board of Education
Tomah Area School District
Tomah, Wisconsin

Report on Compliance for Each Major Federal Program

We have audited the Tomah Area School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the Wisconsin Single Audit Guidelines, issued by the Wisconsin Department of Administration 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 auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal 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 and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and Wisconsin 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 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 our testing based on the requirements of OMB Circular A-133 and the Wisconsin Single Audit Guidelines, issued by the Wisconsin Department of Administration. Accordingly, this report is not suitable for any other purpose.

Trusted & Temp, S.C.

October 26, 2015

Tomah Area School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended June 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency (ies) identified? yes no

Significant deficiency (ies) identified considered to be material weaknesses? yes no

Noncompliance material to the financial statements? yes no

Federal Awards

Internal control over compliance:

Significant deficiency (ies) identified? yes no

Significant deficiency (ies) identified considered to be material weaknesses? yes no

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

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

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
10.555, 10.553, 10.559	Child Nutrition Cluster
93.778	Medicaid

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

Auditee qualified as a low-risk auditee? yes no

State Awards

Internal control over financial reporting:

Significant deficiency (ies) identified? yes no

Significant deficiency (ies) identified considered to be material weaknesses? yes no

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

Any audit findings disclosed that are required to be reported in accordance with State Single Audit Guidelines? yes no

Identification of major state programs:

State ID Number	Name of State Program
255.101	Handicapped Pupils and School Age Parents
255.107	Pupil Transportation
255.103	Common School Fund
255.201	General Equalization Aid
255.945	Per Pupil Aid

Tomah Area School District
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
Year ended June 30, 2015

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior Year Findings

2014-1 Transportation Aids - One student in the District rode regular transportation buses for the beginning of the school year until the student's Individualized Education Plan (IEP) was amended to include special transportation needs. The student discontinued riding the regular buses and used special transportation for the remainder of the year. The student was not removed from the transportation logs used to prepare the PI-1547 and was included in the regular transportation counts for the PI-1547.

Status: This finding has been resolved in the current year. Proper controls are in place to ensure special education students transported using special transportation are not included on the regular education transportation report PI-1547.