

Department of Public Instruction
 125 S. Webster Street
 P.O. Box 7841
 Madison, WI 53707-7841

To Whom It May Concern:

The following material for the 2015 audit of the BRISTOL #1 SCHOOL DISTRICT is enclosed:

	No. of Copies	Enclosed	
		Yes	N/A
Report on Financial Statements	<u>1</u>	<u>x</u>	<u> </u>
Federal and State Single Audit	<u> </u>	<u> </u>	<u>x</u>
Data Collection Form (Form SF-SAC)	<u> </u>	<u> </u>	<u>x</u>
Management Letter/Report on Internal Control	<u>1</u>	<u>x</u>	<u> </u>

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Single Audit Clearinghouse	<u> </u>	<u>x</u>
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Wisconsin Department of Health and Family Services	<u> </u>	<u>x</u>
Other (identify) _____	<u> </u>	<u> </u>
_____	<u> </u>	<u> </u>

Sincerely,


 Chamberlain and Henningfield, CPAs, LLP

BRISTOL #1 SCHOOL DISTRICT

BRISTOL, WISCONSIN

AUDITED FINANCIAL STATEMENTS

June 30, 2015

BRISTOL #1 SCHOOL DISTRICT
June 30, 2015

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Chamberlain & Henningfield

Certified Public Accountants, LLP

INDEPENDENT AUDITOR'S REPORT

Board of Education
Bristol #1 School District
Bristol, Wisconsin

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bristol #1 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, each major fund, and the aggregate remaining fund information of the Bristol #1 School District as of June 30, 2015, and the respective changes in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 14 to the financial statements, during the year ended June 30, 2015, the District adopted new accounting guidance, GASB Statement 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

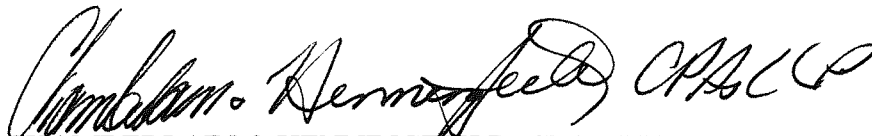
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bristol #1 School District's basic financial statements as a whole. The combining statement of net position – governmental activities, combining nonmajor fund financial statements, and schedule of changes in assets and liabilities – pupil activity fund are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and the Wisconsin State Single Audit Guidelines and the Wisconsin Public School District Audit Manual, respectively, and also are not a required part of the basic financial statements of the Bristol #1 School District.

The combining statement of net position – governmental activities, combining nonmajor fund financial statements, schedule of changes in assets and liabilities – pupil activity fund, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of

management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of net position – governmental activities, combining nonmajor fund financial statements, schedule of changes in assets and liabilities – pupil activity fund, and the schedules of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2015, on our consideration of Bristol #1 School 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 Bristol #1 School District's internal control over financial reporting and compliance.



CHAMBERLAIN & HENNINGFIELD, CPAs, LLP
Lake Geneva, Wisconsin

December 10, 2015

BRISTOL SCHOOL DISTRICT #1 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A STATEMENT) JUNE 30, 2015

The discussion and analysis of Bristol #1 School District's 2014-2015 financial performance provides an overall review of financial activities for the fiscal year. The analysis focuses on the school district's financial performance as a whole. Efforts have been made to provide comparison to prior year data when such data is available. It should be read in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Total assets of the district are \$13,175,066. Total net position after deducting liabilities is \$6,553,909. Actual beginning net position was \$6,015,234. This represents an increase in net position of \$538,675.

In terms of general fund operations, we had an excess of Revenues and Other Sources over Expenditures and Other Uses of \$312,104. This increased our general fund balance from \$2,853,087 at the beginning of the year to \$3,165,191 at the end of the year. This was the benchmark statistic used in previous financial statements to judge fiscal performance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This section of the financial report consists of three parts-management's discussion and analysis, basic financial statements (district wide and fund statements) including notes to the financial statements, and other required 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 long-term information as well as information for the just-completed fiscal year.
- The remaining statements are *fund financial statements* that focus on individual parts of the district. Fund statements generally report operations in more detail than the district-wide statements.

The notes to the financial statement provides further explanation of some of the information in the statements and provides additional disclosures so statement users have a complete picture of the district's financial activities and position.

Required supplementary information further explains and supports the financial statements by including a comparison of the District's budget data for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1 Organization of Bristol School District #1 Annual Financial Report

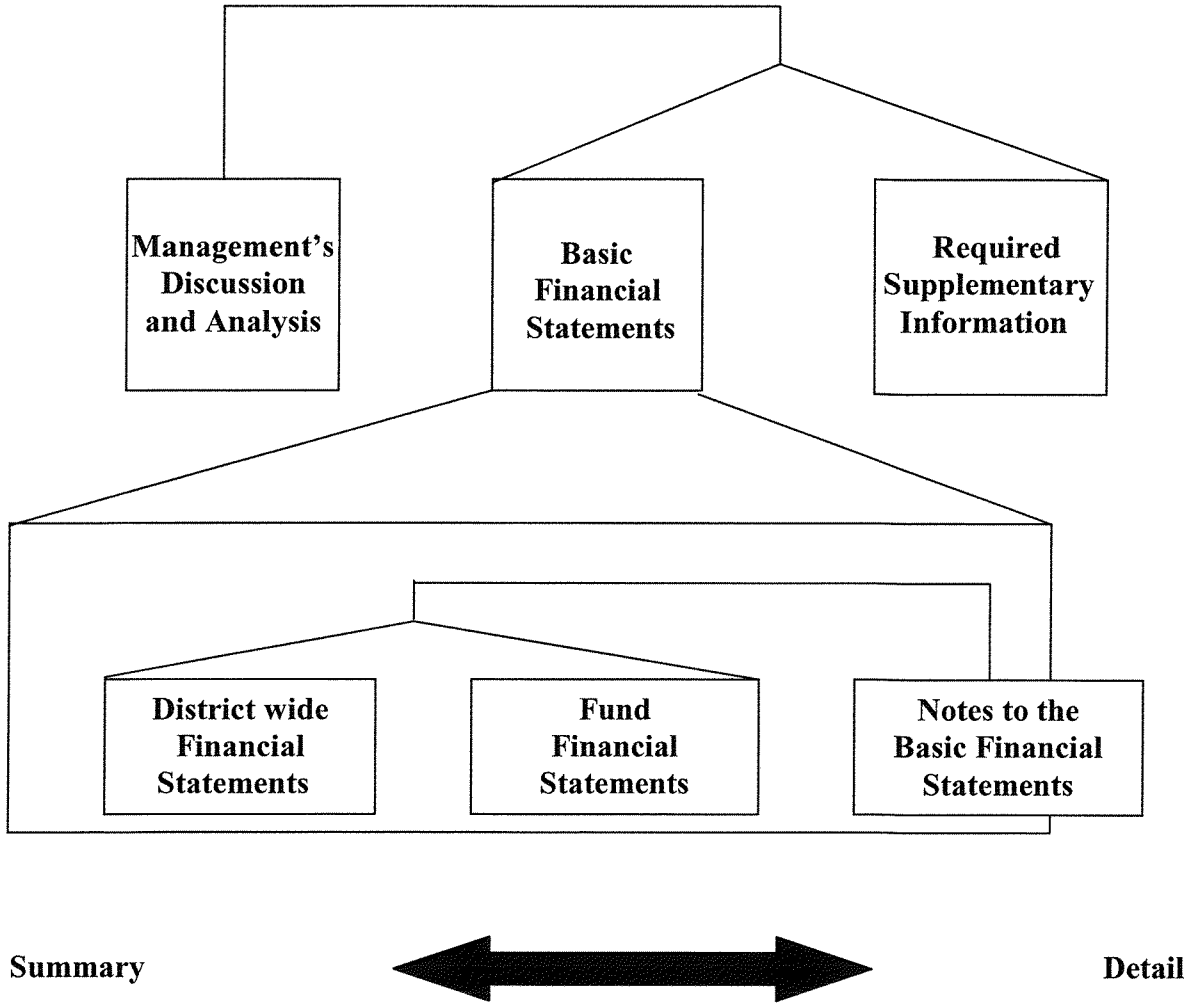


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District wide and Fund Financial Statements

Figure A-2	District Wide Statements	Fund Financial Statements	
		Governmental	Fiduciary
Scope	Entire district (Except fiduciary Funds.)	The activities of the District that are not fiduciary, such as instructional, support services, and community services.	Assets held by the District on behalf of someone else. Student and other organizations that have funds on deposit with the district are reported here.
Required financial statements	Statement of net position, and Statement of activities.	Balance sheet and Statement of revenues, expenditures and changes in fund balance.	Statement of fiduciary net position, and 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.
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter. No capital assets or long-term liabilities are included.	All assets and liabilities, both financial and capital; short-term and long-term. These funds do not currently contain any capital assets, although they can.
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability are due and payable.	All additions or deductions during the year, regardless of when cash is received and paid.

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 two district-wide statements report the district's *net position* and how it has changed. Net position, the difference between the district's assets 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 school buildings and other facilities should be considered.

In the district wide financial statements, the district's activities are shown as governmental activities.

Most of the district's basic services are included here, such as regular and special education, transportation, support services, community programs and administration. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's *funds*, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements.

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (like capital project funds).

The District has two kinds of funds:

- *Governmental funds* – Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for funding future basic services. Consequently, the 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 fund information does not report on long-term commitments as are reported on the district-wide statements. Therefore an explanation of the differences between the governmental funds and the district-wide statements is included either at the bottom of the governmental funds statements or as a separate schedule.
- *Fiduciary funds* – The district serves as a trustee, or *fiduciary*, for student and parent organizations. The assets of these organizations belong to the organizations, and not the district. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These activities are excluded from the district-wide financial statements because the district cannot use these assets to finance its operations.

FINANCIAL ANALYSES

Balance Sheet

Table 1, provides a summary of the district's net position at June 30, 2015 and 2014. The calculation of net position includes an unrestricted asset amount of \$2,873,855. The Statement of Net Position – Governmental Fund Types breaks this amount down between the different funds. The calculation of net position uses historical costs for facilities that may not reflect the true value. The facilities are in excellent condition as sufficient funds are appropriated annually for preventative maintenance and nothing is deferred.

Table 1	Governmental Activities 2015	Governmental Activities 2014
Current and other assets	\$ 4,746,885	\$ 6,477,402
Capital assets	7,813,584	3,370,960
Net Pension Asset	<u>614,597</u>	--
Total assets	<u>\$13,175,066</u>	<u>\$9,848,362</u>
Deferred outflows of resources	\$539,201	\$ --
Long-term debt outstanding	6,134,000	6,341,839
Current liabilities	<u>996,187</u>	<u>968,864</u>
Total liabilities	\$7,130,187	\$7,310,703
Deferred inflows of resources	\$30,171	\$ --
Net position		
Net investment in capital assets	3,497,337	874,844
Restricted	195,256	189,866
Unrestricted	<u>2,861,316</u>	<u>1,472,949</u>
Total net position	\$6,553,909	\$2,537,659

Table 2, below shows the changes in net position for the fiscal years ended June 30, 2015 and 2014 from all governmental activities

Table 2	Governmental Activities 2015	Governmental Activities 2014
Revenues:		
Program revenues		
Charge for services	\$ 214,698	\$ 218,306
Operating grants & contributions	577,862	620,416
General revenues		
Property taxes	3,378,971	3,515,618
State and Federal aid	2,796,639	2,948,150
Other	<u>1,351,660</u>	<u>797,361</u>
Total revenues	\$8,319,830	\$8,099,851
Expenses:		
Instruction	4,340,189	4,268,823
Support Services	2,678,297	5,311,704
Community Services	5,585	2,310
Non-program	431,958	546,240
Interest on debt	111,272	117,774
Depreciation – unallocated	<u>213,854</u>	<u>236,966</u>
Total expenses	\$7,781,155	\$10,438,817
Change in net position	\$538,675	(\$2,338,966)
Beginning net position	\$2,537,659	\$4,921,625
Prior period adjustment	<u>3,477,575</u>	--
Net position as adjusted	\$6,015,234	\$4,921,625
Ending Net Position	\$6,553,909	\$2,537,659

FUND SUMMARY

General Fund

The General Fund, the main operating fund of the district, remains in a good financial position. The current General Fund Balance represents approximately 41% of expenditures.

Approximately 45% of revenues come from property taxes, which are guaranteed by the County of Kenosha. The School Board certifies taxes in November to the Municipal Clerks. The clerks pay the District's proportionate share of collections in January and February. The balance of the taxes are then paid to the County by July 31st and remitted to the School District in August. This year taxes receivable at year-end were \$1,085,033. State and federal aid accounts for approximately 42% of revenues. The State makes equalization aid payments periodically throughout the fiscal year. Payments are made in September, December, March, and June with the largest amounts being paid in December and March. In order to have enough cash flow to meet the district's responsibilities the District maintains a strong fund balance to avoid short term borrowing. The other 13% comes from student fees, and miscellaneous revenues.

Steady enrollments have allowed the district to maintain a balanced budget under Current State Revenue Limit Laws, however we tax to the maximum under the law and are allowed only the increase set yearly by the State, which limits flexibility.

The School District adopts an Interim Budget at the Annual Meeting of the electors in July. The Original Budget is adopted in October when the final Revenue Limit calculations are completed. The Final Budget is adopted after final adjustments are calculated. The significant adjustments this year were due to wage and benefit increases and technology enhancements. These adjustments were not significant to the General Fund. General Fund revenues over expenditures were in excess of budget by \$312,104. Expenses were less than budgeted due to a reduction in expenses associated with utilities and special education costs.

Capital Projects Fund

The Capital Projects Fund has a Fund Balance at year-end of \$647,057. The Capital Projects Fund is a separate account used to record and keep track of improvement projects currently being constructed at the school.

Balance of Governmental Funds

The balance of the governmental funds is either funded in part by grants or reliant on the general fund for revenue sources. They are listed in the body of the audit statement.

Factors Bearing on District's Future

With Wisconsin's ever changing financial predicament it is advised that utmost prudence be observed in all expenses. In foreseeing this predicament, Bristol School District #1 has managed to pay off the unfunded liability to the Wisconsin Retirement System and has paid off their current long term debt before passing a referendum for a new building/remodeling project that will add classrooms to meet the present and future needs of the district.

The current enrollment at Bristol School District No. 1 requires analysis regarding future and probable increases in the number of students. It would be prudent to consider initiatives regarding staffing, resources and building needs.

The district has contracted to build an addition on to the current building. Construction began in 2013. In relation to the addition the District has issued General Obligation Improvement Bonds in the amount of \$5,300,000. The actual building costs came under budget allowing the district to expand and enhance its remodeling projects. Updated bathrooms, building an outside storage facility, added a canopy over the main entrance to building and replacing the chiller.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact, Gale Ryczek, District Administrator, 20121 83rd Street, Bristol, Wisconsin 53104, (262) 857-2334.

BASIC FINANCIAL STATEMENTS

BRISTOL #1 SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and investments	\$ 3,366,944
Taxes receivable	1,085,033
Due from other governments	232,925
Other Current Assets	53,653
Inventory	<u>8,330</u>
Total current assets	<u>4,746,885</u>
Noncurrent assets	
Capital Assets	
Sites	164,300
Buildings and improvements	5,124,634
Furniture and equipment	1,932,775
Construction in Progress	4,597,150
Less: accumulated depreciation	<u>(4,005,275)</u>
Total Capital assets	7,813,584
Net Pension Asset	<u>614,597</u>
Total Noncurrent Assets	<u>8,428,181</u>
TOTAL ASSETS	\$ <u>13,175,066</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from changes in net pension asset	<u>539,201</u>

LIABILITIES	
Current liabilities	
Accounts payable	\$ 238,517
Accrued salaries and related items	500,864
Accrued interest payable	16,159
Current portion of long-term obligations	<u>240,647</u>
Total current liabilities	<u>996,187</u>
Noncurrent liabilities	
Noncurrent portion of long term obligations	<u>6,134,000</u>
Total noncurrent liabilities	<u>6,134,000</u>
TOTAL LIABILITIES	<u>7,130,187</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources from changes in net pension asset	<u>30,171</u>
Net Position	
Net investment in capital assets	3,497,337
Restricted	195,256
Unrestricted	<u>2,861,316</u>
TOTAL NET POSITION	<u>\$ 6,553,909</u>

BRISTOL #1 SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Functions\Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
Instruction:				
Undifferentiated Curriculum	\$ 2,303,831	\$ 13,180	\$ 61,650	\$ (2,229,001)
Regular Curriculum	1,078,246	-	-	(1,078,246)
Physical curriculum	227,785	-	-	(227,785)
Special education	691,463	44,618	278,012	(368,833)
Co-curricular activities	38,864	3,545	-	(35,319)
Support				
Pupil services	275,820	-	-	(275,820)
Instructional staff services	416,955	-	21,852	(395,103)
General administration	300,054	-	-	(300,054)
School building administration	255,449	-	-	(255,449)
Business administration	1,197,573	153,355	216,348	(827,870)
Central services	30,635	-	-	(30,635)
Insurance and judgments	52,595	-	-	(52,595)
Other support services	149,216	-	-	(149,216)
Community service	5,585	-	-	(5,585)
Nonprogram	431,958	-	-	(431,958)
Interest on debt	111,272	-	-	(111,272)
Depreciation - unallocated *	213,854	-	-	(213,854)
Total school district \$	<u>7,781,155</u>	<u>\$ 214,698</u>	<u>\$ 577,862</u>	<u>\$ (6,988,595)</u>

General revenues:	
Property taxes	
General purpose	3,378,971
Debt service	346,125
State and federal aids not restricted to specific functions	2,796,639
Interest income	1,188
Miscellaneous income	1,004,347
TOTAL GENERAL REVENUES	<u>7,527,270</u>
Change in net position	<u>538,675</u>
Net position, beginning of year	2,537,659
Prior Period Adjustment	<u>3,477,575</u>
Net position, beginning of year-As adjusted	<u>6,015,234</u>
Net position, end of year	<u>\$ 6,553,909</u>

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

BRISTOL #1 SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2015

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 2,539,215	\$ 648,503	\$ 179,226	\$ 3,366,944
Taxes receivable	1,085,033	-	-	1,085,033
Due from other governments	219,847	-	13,078	232,925
Prepaid supplies	-	-	8,330	8,330
Other current assets	53,653	-	-	53,653
	<u>3,897,748</u>	<u>648,503</u>	<u>200,634</u>	<u>4,746,885</u>
TOTAL ASSETS	\$ 3,897,748	\$ 648,503	\$ 200,634	\$ 4,746,885
LIABILITIES				
Accounts payable	\$ 235,991	\$ 1,446	\$ 1,080	\$ 238,517
Accrued salaries & related items	496,566	-	4,298	500,864
	<u>732,557</u>	<u>1,446</u>	<u>5,378</u>	<u>739,381</u>
TOTAL LIABILITIES	732,557	1,446	5,378	739,381
FUND BALANCES				
Fund Balances:				
Nonspendable	-	-	8,330	8,330
Restricted	-	647,057	186,018	833,075
Assigned	-	-	908	908
Committed	291,336	-	-	291,336
Unassigned	2,873,855	-	-	2,873,855
	<u>3,165,191</u>	<u>647,057</u>	<u>195,256</u>	<u>4,007,504</u>
TOTAL FUND BALANCES	3,165,191	647,057	195,256	4,007,504
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,897,748	\$ 648,503	\$ 200,634	\$ 4,746,885

See Notes to Financial Statements

BRISTOL #1 SCHOOL DISTRICT
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 June 30, 2015

Total fund balance - governmental activities \$ 4,007,504

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

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

Governmental capital assets	11,818,859	
Governmental accumulated depreciation	<u>(4,005,275)</u>	
		7,813,584

The district's proportionate share of the WRS pension plan exceeds its obligation. This is reported as an asset on the statement of net position, but it is not reported in the governmental funds

614,597

Deferred inflows and outflows of resources related to pensions are applicable to future periods and therefore, are not reportable in the governmental funds

509,030

Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Long-term liabilities at year-end consist of:

Bonds and notes payable	4,915,000	
Capital leases	48,303	
Accrued interest on general obligation debt	16,159	
Unused vested employee benefits	<u>1,411,344</u>	
		<u>(6,390,806)</u>

Total net position - governmental funds

\$ 6,553,909

BRISTOL #1 SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources	\$ 3,414,493	\$ 706	\$ 530,921	\$ 3,946,120
Interdistrict sources	934,980	-	-	934,980
Intermediate sources	44,618	-	-	44,618
State sources	3,064,750	-	3,717	3,068,467
Federal sources	205,539	-	100,493	306,032
Other	13,945	-	-	13,945
TOTAL REVENUES	<u>7,678,325</u>	<u>706</u>	<u>635,131</u>	<u>8,314,162</u>
EXPENDITURES				
Instruction				
Current	4,485,860	-	-	4,485,860
Capital outlay	6,069	-	-	6,069
Support service				
Current	2,311,631	-	242,802	2,554,433
Capital outlay	150,711	2,057,899	3,401	2,212,011
Debt service	17,100	-	379,766	396,866
Non program				
Current	394,850	-	-	394,850
Community service	-	-	5,584	5,584
TOTAL EXPENDITURES	<u>7,366,221</u>	<u>2,057,899</u>	<u>631,553</u>	<u>10,055,673</u>
Excess of Revenues Over (Under)				
Expenditures	<u>312,104</u>	<u>(2,057,193)</u>	<u>3,578</u>	<u>(1,741,511)</u>
Fund Balances - Beginning of Year	2,853,087	2,704,250	189,866	5,747,203
Prior Period Adjustment	-	-	1,812	1,812
Fund Balances - Beginning of Year-As Adjusted	<u>2,853,087</u>	<u>2,704,250</u>	<u>191,678</u>	<u>5,749,015</u>
Fund Balances - End of Year	<u>\$ 3,165,191</u>	<u>\$ 647,057</u>	<u>\$ 195,256</u>	<u>\$ 4,007,504</u>

See Notes to Financial Statements

BRISTOL #1 SCHOOL DISTRICT
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ (1,741,512)

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

The acquisition of capital assets are reported in the governmental funds 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 report in governmental fund statements	2,238,807	
Depreciation expense reported in the statement of activities	<u>(335,435)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		1,903,372

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

Special termination benefits paid in the current year	55,160	
Special termination benefits earned in the current year	<u>(107,097)</u>	
Amounts paid are greater (less) than amounts earned by		(51,937)

Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:		267,039
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In the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.

Pension employer contributions made	397,358	
Pension Expense	<u>(222,760)</u>	
		174,598

In governmental funds, 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 period	129,827	
The amount of interest accrued during the current period	<u>(142,712)</u>	
Interest paid is greater (less) than interest accrued by		<u>(12,885)</u>

Change in net position - governmental activities		<u>\$ 538,675</u>
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BRISTOL #1 SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2015

	<u>Agency Funds</u>
Assets	
Cash and investments	\$ <u>56,183</u>
Total assets	\$ <u><u>56,183</u></u>
Liabilities	
Due to student organizations	\$ <u>56,183</u>
Total liabilities	\$ <u><u>56,183</u></u>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. INTRODUCTION

The Bristol #1 School District is organized as a common school district. The District, governed by a five member elected school board, operates grades K through 8 and is comprised of all or parts of three taxing districts. The District, in lieu of its legal name, is referred to as the Bristol School District.

The financial statements of the Bristol #1 School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the District for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency between the District and the governmental entity; control by the District over selection of the entity's governing authority or designation of management; the ability of the District to significantly influence operations of the entity; and whether the District is responsible for the accountability for fiscal matters.

B. BASIS OF PRESENTATION

District wide Statement

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

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

B. BASIS OF PRESENTATION, continued

Separate statements for each fund category — governmental and fiduciary — are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

Capital Projects Funds - This fund is used to report capital projects activities not required to be reported in other funds

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

C. COMPONENT UNITS

Generally accepted accounting principles 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 insignificant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. The District has no component units, and it is not included in any other governmental reporting entity.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING, continued

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.

E. PROPERTY TAX LEVY

Under Wisconsin law, personal property taxes and the first installment of real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the school district and county treasurer for those taxes collected on their behalf. The county treasurer, who then makes settlement with the city, town, village and school districts before retaining any for county purposes, collects second installment real estate taxes and delinquent taxes.

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

Property taxes are recognized as revenue in the period for which are levied. The 2014 tax levy is used to finance operation of the District's fiscal year ended June 30, 2015. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

F. CASH AND INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investment accounts 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.

All investments are stated at fair value. Determination of fair value for investment in the state treasurer's investment pool is based on the information provided by the State of Wisconsin Investment Board. The State Investment Fund (SIF), pools the excess cash of the State of Wisconsin and its agencies, certain retirement funds, and various local government units (Local Government Investment Pool (LGIP)) into a commingled fund. The District, at any point in time, is able to remove the pool shares deposited at full value plus any accrued interest. The state of Wisconsin Investment Board manages the SIF with oversight by a Board of Trustees as authorized in Wisconsin Statutes 25.14 and 25.17. It is not registered with the SEC as an investment company. The Legislative Audit Bureau audits the SIF annually.

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.

G. RECEIVABLES AND PAYABLES

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.

H. INVENTORIES AND PREPAID ITEMS

Inventories are valued at cost using the first in/first out (FIFO) method. Inventory items are recorded using the purchase method. Inventories consist of expendable supplies held for future use. Prepaid items represent payments made by the District for which benefits extend beyond June 30, primarily a one-month advance deposit for employee health insurance.

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

H. INVENTORIES AND PREPAID ITEMS, CONTINUED

A reserve for these non-liquid assets (nonspendable fund balance) has been recognized to signify that a portion of fund balance is not available for other subsequent expenditures, except in cases where inventories are offset by unearned revenues.

I. CAPITAL ASSETS

Capital assets are reported at actual cost for acquisitions subsequent to 1992. For assets acquired prior to 1992, estimated historical costs, based on appraisals conducted by an independent third-party professional appraisal firm, are used. Donated assets are reported at estimated fair market value at the time received. .

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$1,000	Straight-line	40 years
Building improvements	\$1,000	Straight-line	40 years
Site improvements	\$1,000	Straight-line	15 years
Furniture & equipment	\$1,000	Straight-line	5 to 10 years
Computers and related Technology*	\$1,000	Straight-line	5 years
Textbooks*	\$1,000	Straight-line	5 years

*For purposes of determining the capitalization threshold for these items, the District groups all purchases for the year.

J. OTHER OBLIGATIONS

The District's policy allows full-time employees to earn 10 days of sick pay for each year employed, accumulating to a maximum vested amount of 90 days. Upon retirement from the district at age 55 or older, the employee with at least 15 years of service in the District is entitled to remuneration at 60% of their daily rate for each unused sick day up to a maximum of 50 days.

The District's policy allows employees working between 15 and 39 hours per week to earn 7 days of sick pay for each year employed, accumulating to a maximum vested amount of 45 days. Upon retirement from the district at age 55 or older, the employee with at least 15 years of service in the

BRISTOL #1 SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

District is entitled to remuneration at 60% of their daily rate for each unused sick day up to a maximum of 25 days. There was no amount paid during the year under this program.

K. NET POSITION

Net position represents the difference between assets and liabilities and deferred inflows and outflows of resources.

Net investment in capital assets consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

L. FUND BALANCE

The Governmental Accounting Standards Board (GASB) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB requires the fund balance amounts to be reported within one of the following fund balance categories:

- *Non-spendable* - amounts that cannot be spent either because they are in non-spendable form – inventory and prepaid expenses - or because they are legally or contractually required to be maintained intact – the principal of a scholarship fund.
- *Restricted* - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments such as the fund balance in debt service and capital projects funds.
- *Committed* - amounts that can be used only for specific purposes determined by a formal action of the School Board. The School Board is the highest level of decision-making authority for the District. Commitments maybe established, modified, or rescinded only through the same type of action it employed to previously commit those amounts. Any action to commit fund balance must occur prior to the end of the fiscal year.
- *Assigned* - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. This would include residual amounts in governmental funds other than the general fund.
- *Unassigned* – is available for any purpose and is only reported in the general fund except for any negative fund balances in the other funds

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

M. USE OF ESTIMATES

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

N. Pensions

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

O. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

DIFFERENCES BETWEEN GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES AND THE STATEMENT OF ACTIVITIES

Differences between the governmental funds statement of revenues, expenditures and changes in fund balances and the statement of activities fall into one of three broad categories. The amounts

BRISTOL #1 SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

shown in the reconciliations represent:

1. Long-term revenue differences 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 expenses reported below recognize the change in vested employee benefits.
2. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
3. Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

NOTE 3. CASH AND INVESTMENTS

The Debt Service Fund and the Capital Projects Fund use a separate and distinct account. All other funds share in common bank and investment accounts.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the District’s deposits may not be returned. Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for demand (noninterest-bearing) deposits and time (interest-bearing) deposits. In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$400,000 per entity above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3. CASH AND INVESTMENTS, continued

At year-end, the carrying amount of the District's deposits was \$3,366,944 and the bank balance was \$3,608,435. Of the bank balance, \$256,867 was covered by FDIC insurance and \$400,000 was covered by the State Guarantee Fund. This left \$2,958,435 uninsured, which has been collateralized

Investments

During the year, the District invested \$12,167 in the Local Government Investment Pool. Each school district investing in the Fund owns a pro rata share of each investment or deposit of the Fund, which is held in the name of the Fund. These balances are uninsured and are subject to the risk of market fluctuations.

<u>Investments</u>	<u>Fair Value/ Carrying Amt.</u>	<u>Cost</u>
Local Government Investment Pool	<u>\$ 12,167</u>	<u>\$ 12,167</u>
Total investments	<u>\$ 12,167</u>	12,167
Total Cash Deposits		3,410,760
Petty Cash		<u>200</u>
Total Cash and Investments		<u>\$3,423,127</u>
Cash, deposits, and investment allocation:		
Governmental Activities		\$3,366,944
Fiduciary and agency funds		<u>56,183</u>
Total cash, deposits, and investments		<u>\$3,423,127</u>

For investments, interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. Investments held for longer periods are subject to greater risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the school district investment is limited to maturities of less than one year. Further, investment maturities are structured to match cash flow requirements avoiding the need to sell securities on the open market prior maturity.

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligation. Wisconsin Statute 66.04(2) and 67.11(2) restrict investment of temporarily idle cash reducing a district's exposure to such risk. The School Board has adopted an investment policy

BRISTOL #1 SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 3. CASH AND INVESTMENTS, continued

pursuant to these statutes, which allows the District to invest in time deposits, securities guaranteed by the U.S. Government, securities of the Wisconsin Local Pooled Investment Fund

and commercial paper if the security has the highest or second highest rating of a nationally recognized rating agency. The District minimizes credit risk by limiting investments to the safest type of securities, consistent with state law and School Board policy, and diversifying in the investment portfolio.

Custodial credit risk for investment is the risk that, in the event of the failure of the counter-party, the District will not be able to recover the value of its investments. The District's agent in the District's name holds all investments exposed to custodial risk.

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

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

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4. CHANGES IN CAPITAL ASSETS

	Balances July 1, 2014	Additions	Removals	Balances June 30, 2015
Sites	\$164,300	\$ --	\$ --	\$164,300
Buildings	5,124,634	--	--	5,124,634
Equipment	1,751,867	180,908	--	1,932,775
Construction in progress	2,539,252	2,057,898	--	4,597,150
Totals	9,580,053	\$2,238,806	--	\$11,818,859
Accumulated depreciation	(3,669,841)	(335,434)	--	(4,005,275)
Governmental activities capital assets net of accumulated depreciation	<u>\$5,910,212</u>	<u>\$1,903,372</u>	<u>\$ --</u>	<u>\$7,813,584</u>

Depreciation was charged to governmental functions as follows:

Undifferentiated curriculum	\$100,018
Operation	19,362
Food service	2,200
Depreciation not allocated to a specific function	213,854
Total depreciation for governmental activities	<u>\$335,434</u>

NOTE 5. LONG-TERM OBLIGATIONS

Long-term obligations of the District are as follows:

	Balances July 1, 2014	Additions	Removals	Balances June 30, 2015	Amounts due within one year
General obligation bonds	\$5,166,441	\$ --	\$251,441	\$4,915,000	\$ 225,000
Capital leases	63,901	--	15,598	48,303	15,647
Subtotal	5,230,342	--	267,039	4,963,303	240,647
Vested employee benefits					
- sick leave	149,997	--	5,311	144,686	--
- Other post-employment benefits	1,209,410	107,097	49,849	1,266,658	--
Totals	<u>\$6,589,749</u>	<u>\$107,097</u>	<u>\$322,199</u>	<u>\$6,374,646</u>	<u>\$240,647</u>

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 5. LONG-TERM OBLIGATIONS, continued

Total interest paid during the year aggregated \$129,827

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2015 is comprised of the following individual issue:

<u>Description</u>	<u>Issue Date</u>	<u>Interest Rates (%)</u>	<u>Date of Maturity</u>	<u>Balances 6/30/15</u>
General obligation bonds	2013	2.0%	2033	<u>\$4,915,000</u>

The 2014 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$566,385,789. The legal debt limit and margin of indebtedness as of June 30, 2015 in accordance with Section 67.03(1) (b) of the Wisconsin Statutes follows:

Debt limit (5% of \$566,385,789)	\$28,319,289
Deduct long-term debt applicable to debt margin	<u>4,915,000</u>
Margin of indebtedness	<u>\$23,404,289</u>

An aggregate future cash flow requirement for the retirement of long-term principal and interest on June 30, 2015 follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2016	225,000	123,925	348,325
2017	230,000	119,425	349,425
2018	235,000	114,825	349,425
2019	240,000	110,125	350,125
2020-2024	1,270,000	476,825	1,746,825
2025-2029	1,420,000	329,775	1,749,775
2030-2033	<u>1,295,000</u>	<u>110,450</u>	<u>1,436,891</u>
Totals	<u>\$4,915,000</u>	<u>\$1,385,350</u>	<u>\$6,300,350</u>

See Note 1(I) for a discussion of accumulated vested employee benefits.

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 6. CAPITAL LEASES, AS LESSEE

The following is an analysis of the leased property under capital lease by major classes:

	<u>2015</u>	<u>June 30,</u> <u>2014</u>
Equipment	<u>\$76,966</u>	<u>\$76,966</u>

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2015:

<u>Year Ended June 30,</u>	
2016	16,885
2017	17,100
2018	13,940
2019	2,674
Total	<u>50,600</u>
Amount Representing Interest	<u>(2,297)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$48,303</u></u>

NOTE 7. EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

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

BRISTOL #1 SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. EMPLOYEE RETIREMENT PLANS, continued

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.

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 are 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:

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. EMPLOYEE RETIREMENT PLANS, continued

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

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 \$244,872 in contributions from the employer

Contribution rates as of June 30, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%

At June 30, 2015, the District reported an asset of \$614,597 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was .02502151%, which was an increase of .00094973% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$234,302.

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. EMPLOYEE RETIREMENT PLANS, continued

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	\$89,097	\$ --
Changes in assumptions	--	--
Net differences between projected and actual earnings on pension plan investments	297,617	--
Changes in proportion and differences between employer contributions and proportionate share of contributions	--	30,171
Employer contributions subsequent to the measurement date	152,487	--
Total	\$539,201	\$30,171

\$152,487 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:

Year ended June 30:	Deferred Outflow of Resources	Deferred Inflows of Resources
2015	\$76,065	\$5,601
2016	76,065	5,601
2017	76,065	5,601
2018	76,065	5,601
2019	76,065	5,601
Thereafter	6,388	2,163

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:

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. EMPLOYEE RETIREMENT PLANS, continued

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:

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. EMPLOYEE RETIREMENT PLANS, continued

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

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

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

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
District's proportionate share of the net pension asset	\$1,733,883	\$614,597	(\$2,469,331)

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7. EMPLOYEE RETIREMENT PLANS, continued

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 at June 30, 2015 were \$18,656. This represents contributions earned as of June 30, 2015, but for which payment was not remitted to the pension plan until subsequent to year-end

NOTE 8. OTHER POST-EMPLOYMENT BENEFITS

Plan Description – The Bristol #1 School District operates a single-employer retiree benefit plan that provides postemployment health benefits to eligible employees and their spouses. There are currently 51 active and 4 retired members in the plan. Benefits and eligibility for employees were originally established through collective bargaining and have been amended through the employee handbook and include postemployment health coverage.

Funding Policy – The benefits are currently funded on a pay-as-you go basis.

Annual OPEB Cost and Net OPEB Obligation – The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District’s net OPEB obligation.

	Government Activities
Annual required contribution	\$136,768
Interest on net OPEB	45,570
Adjustment to ARC	(75,241)
	<hr/>
Annual OPEB cost (expense)	107,097
Contributions made	(49,849)
	<hr/>
Change in OPEB obligation	57,248
OPEB obligation at beginning of year	1,209,410
	<hr/>
OPEB obligation at end of year	<u>\$1,266,658</u>

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, continued

The District’s annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$107,097	46%	\$1,266,658
6/30/2014	107,097	95%	1,209,410
6/30/2013	421,404	22%	1,204,734

Funded Status and Funding Progress - As of June 30, 2013, the most recent actuarial valuation date, for the period July 1, 2012 through June 30, 2013, the District’s unfunded actuarial accrued liability (UAAL) was \$1,359,288. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2012-2013 fiscal year was \$3,574,260 for a ratio of the UAAL to the covered payroll of 263%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future determinations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actual Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions use include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a rate of 3.0% to discount expected liabilities to the valuation date. Implicit in these rates is a 4% assumed rate of inflation. The initial healthcare trend rate was 10% decreasing 1% per year down to 5%. Mortality rates were set based upon the Group Annuity Reserve Unisex Table 1994 projected to 2002 set forward 3 years for males and set back 3 years for females. The figures closely approximate the December 31, 2002 valuation used for the Wisconsin Retirement

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 8. OTHER POST EMPLOYMENT BENEFITS, continued

Systems. The UAAL is being amortized as a level percent of projected payrolls with a 2% increase in total payroll. The remaining amortization period as of June 30, 2015 was 30 years.

NOTE 9. LIMITATION ON SCHOOL DISTRICT REVENUES

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

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

NOTE 10. FUND BALANCES AND NET POSITION

Net Position

Detail related to amounts restricted for other activities is as follows:

Restricted for Other Activities:

Debt Service	\$153,907
Food Service	40,441
Community Service	908
Total Restricted for Other Activities	<u>\$195,256</u>

Fund Balances

Detail related to fund balances of governmental funds is as follows:

Nonspendable:

Food Service	<u>\$8,330</u>
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Restricted:

Debt Service Fund	153,907
Capital Projects Fund	647,057
Food Service	<u>32,111</u>
Total Restricted	<u>833,075</u>

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 10. FUND BALANCES AND NET POSITION, continued

<u>Committed:</u>	
General Fund	<u>291,336</u>
 <u>Assigned:</u>	
Community Service Fund	<u>908</u>
 <u>Unassigned:</u>	
General Fund	<u>2,873,855</u>
 Total Governmental Fund Balance	 <u><u>\$4,007,504</u></u>

NOTE 11. INSURANCE RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past 3 years.

NOTE 12. INTERGOVERNMENTAL FINANCIAL DEPENDENCY

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of Wisconsin. Because of the dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with US Treasury Securities because of actions by foreign government and other holders of publicly held US Treasury Securities.

During fiscal year ending June 30, 2015, the District received \$225,578 from the federal government and \$3,065,407 from Wisconsin, which are 2.9% and 39.7%, respectively, of total District revenues reported by the District for charges for services, operating grants and contributions, and general revenues. Funds flowing from the federal and state governments to the District are subject to changes to federal and state laws and appropriations. Based on the reported financial position of the federal and state government, including disclosures concerning fiscal sustainability, it is at least reasonably possible that events will occur in the near term that will significantly affect the flows of federal funds to the District.

BRISTOL #1 SCHOOL DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED JUNE 30, 2015

NOTE 13. COMMITMENTS AND CONTINGENCIES

CONSTRUCTION COMMITMENTS

The District contracted for a \$5.3 million addition. To date, they have completed \$4.597million. Outstanding commitments of \$703,000 remain on the project.

NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE

The District implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions*. See footnote 7 and 14 for additional information.

NOTE 15. PRIOR PERIOD ADJUSTMENTS

An adjustment of \$3,477,575 has been made to beginning net position for the following:

Change in accounting principle (Note 14)	\$949,029
Prior year construction in progress	2,539,252
Food service inventory adjustment	1,812
Beginning long term capital debt	(12,518)
Total prior period adjustment	\$3,477,575

The adjustment to net position for the food service inventory also resulted in a change in the beginning fund balance for the food service fund in the amount of \$1,812.

NOTE 16. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the District has evaluated events and transactions for potential recognition or disclosure through December 10, 2015 the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

BRISTOL #1 SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local sources	\$ 3,413,842	\$ 3,413,842	\$ 3,451,601	\$ 37,759
Interdistrict sources	955,000	955,000	934,980	(20,020)
Intermediate sources	-	-	44,618	44,618
State sources	2,888,537	2,888,537	3,064,750	176,213
Federal sources	80,838	80,838	205,539	124,701
Other	20,781	20,781	13,945	(6,836)
TOTAL REVENUES	<u>7,358,998</u>	<u>7,358,998</u>	<u>7,715,433</u>	<u>356,435</u>
EXPENDITURES				
Instruction	4,036,535	4,036,535	4,491,929	(455,394)
Support services	2,396,817	2,396,817	2,479,442	(82,625)
Nonprogram	365,000	365,000	431,958	(66,958)
TOTAL EXPENDITURES	<u>6,798,352</u>	<u>6,798,352</u>	<u>7,403,329</u>	<u>(604,977)</u>
Excess of Revenues Over Expenditures	<u>560,646</u>	<u>560,646</u>	<u>312,104</u>	<u>(248,542)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	-	-
Operating transfers (out)	<u>(560,646)</u>	<u>(560,646)</u>	<u>-</u>	<u>560,646</u>
Net Other Financing Sources (Uses)	<u>(560,646)</u>	<u>(560,646)</u>	<u>-</u>	<u>560,646</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>312,104</u>	<u>312,104</u>
Fund Balances - Beginning of Year	<u>2,853,087</u>	<u>2,853,087</u>	<u>2,853,087</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 2,853,087</u>	<u>\$ 2,853,087</u>	<u>\$ 3,165,191</u>	<u>\$ 312,104</u>

See Notes to Required Supplementary Information

BRISTOL #1 SCHOOL DISTRICT
 SCHEDULE OF FUNDING PROGRESS
 For the Year Ended June 30, 2015

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability (AAL)</u> <u>Projected Unit Credit</u>	<u>Unfunded AAL</u> <u>(UAAL)</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>Percentage of</u> <u>Covered</u> <u>Payroll</u>
6/30/2013	\$0	\$1,359,288	\$1,359,288	\$2,036,073	67%
6/30/2010	\$0	\$3,246,687	\$3,246,687	\$2,355,831	138%
6/30/2008	\$0	\$2,792,708	\$2,792,708	\$2,987,293	93%

BRISTOL #1 SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PRPORTIONATE SHARE
 OF NET PENSION LIABILITY (ASSET)
 WISCONSIN RETIREMENT SYSTEM

June 30, 2015

Last 10 Fiscal Years*

	<u>2015</u>
District's proportion of the net pension liability (asset)	0.2502151%
District's proportionate share of the net pension liability (asset)	(\$614,597)
District's Covered Employee Payroll	\$3,498,197
Plan fiduciary net position as a percentage of the toal pension liability (asset)	1.0274%

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

* GASB pronouncements 67 and 68 require the presentation of the last 10 prior year compled under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule

BRISTOL #1 SCHOOL DISTRICT
SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM

For the year ended June 30, 2015

*Last 10 fiscal years

Contractually required contributions	\$244,872
Contributions in relation to the contractually required contributions	<u>\$244,872</u>
Contribution Deficiency (excess)	<u><u>-</u></u>
District's covered employee payroll	\$3,498,197
Contributions as a percentage of covered employee payroll	7.0%

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

* FASB Pronouncements 67 and 68 require the presentation of the last 10 prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule

BRISTOL #1 SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. BUDGETARY ACCOUNTING

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

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

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

NOTE 2. BUDGETARY PRESENTATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1 to the financial statements; however, the District adopts a budget for the special education fund which is reported with the general fund in accordance with generally accepted accounting principles. An explanation of the difference between revenues, expenditures, and other financing sources (uses) for budgetary fund basis and a GAAP general fund basis is summarized below:

BRISTOL #1 SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 2. BUDGETARY PRESENTATION, continued

	<u>Total Budgetary Amounts</u>	<u>Special Education fund</u>	<u>GAAP Budgetary amounts</u>
Local sources	\$3,413,842	\$30,000	\$3,383,842
Inter-district sources	955,000	--	955,000
Intermediate sources	--	50,000	--
State sources	2,888,537	305,000	2,583,537
Federal sources	80,838	122,432	(41,594)
Other sources	20,781	--	20,781
	<hr/>	<hr/>	<hr/>
Total Revenues	7,358,998	\$507,432	\$6,290,920
	<hr/>	<hr/>	<hr/>
Instruction	\$4,036,535	\$722,790	\$3,313,745
Support service	2,396,817	155,358	2,241,259
Non-program	365,000	189,930	175,070
	<hr/>	<hr/>	<hr/>
Total expenditures	6,798,352	\$1,068,078	\$5,730,274
	<hr/>	<hr/>	<hr/>
Operating transfers in	\$560,646	\$560,646	\$ --
Sale of fixed assets	--	--	--
Operating transfers out	(560,646)	--	(560,646)
	<hr/>	<hr/>	<hr/>
Net other financing sources (uses)	\$ --	\$560,646	(\$560,646)
	<hr/>	<hr/>	<hr/>

BRISTOL #1 SCHOOL DISTRICT
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2015

	<u>Debt Service</u>	<u>Food Service</u>	<u>Community Service</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 153,907	\$ 24,411	\$ 908	\$ 179,226
Due from other governments	-	13,078	-	13,078
Prepaid supplies	-	8,330	-	8,330
TOTAL ASSETS	<u>\$ 153,907</u>	<u>\$ 45,819</u>	<u>\$ 908</u>	<u>\$ 200,634</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,080	\$ -	\$ 1,080
Accrued salaries & related items	-	4,298	-	4,298
TOTAL LIABILITIES	<u>-</u>	<u>5,378</u>	<u>-</u>	<u>5,378</u>
FUND BALANCES				
Nonspendable	-	8,330	-	8,330
Restricted	153,907	32,111	-	186,018
Assigned	-	-	908	908
TOTAL FUND BALANCES	<u>153,907</u>	<u>40,441</u>	<u>908</u>	<u>195,256</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 153,907</u>	<u>\$ 45,819</u>	<u>\$ 908</u>	<u>\$ 200,634</u>

BRISTOL #1 SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	<u>Debt Service</u>	<u>Food Service</u>	<u>Community Service</u>	<u>Total Government Funds</u>
REVENUES				
Local sources	\$ 377,566	\$ 153,355	\$ -	\$ 530,921
State sources	-	3,717	-	3,717
Federal sources	-	100,493	-	100,493
TOTAL REVENUES	<u>377,566</u>	<u>257,565</u>	<u>-</u>	<u>635,131</u>
EXPENDITURES				
Support service				
Current	-	242,802	-	242,802
Capital outlay	-	3,401	-	3,401
Debt service	379,766	-	-	379,766
Community Service	-	-	5,584	5,584
TOTAL EXPENDITURES	<u>379,766</u>	<u>246,203</u>	<u>5,584</u>	<u>631,553</u>
Excess of Revenues Over (Under)				
Expenditures	<u>(2,200)</u>	<u>11,362</u>	<u>(5,584)</u>	<u>3,578</u>
Fund Balances - Beginning of Year	156,107	27,267	6,492	189,866
Prior Period Adjustment	<u>-</u>	<u>1,812</u>	<u>-</u>	<u>1,812</u>
Fund Balances - Beginning of Year-As Adjusted	<u>156,107</u>	<u>29,079</u>	<u>6,492</u>	<u>191,678</u>
Fund Balances - End of Year	<u>\$ 153,907</u>	<u>\$ 40,441</u>	<u>\$ 908</u>	<u>\$ 195,256</u>

OTHER SUPPLEMENTARY INFORMATION

BRISTOL #1 SCHOOL DISTRICT
 STUDENT ORGANIZATION FUNDS
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - PUPIL ACTIVITY FUND
 For the Year Ended June 30, 2015

	Balance 7/1/14	Additions	Deductions	Balance 6/30/15
ASSETS				
Cash	\$ 50,811	\$ 12,775	\$ 7,404	\$ 56,183
TOTAL ASSETS	\$ 50,811	\$ 12,775	\$ 7,404	\$ 56,183
LIABILITIES				
Due to student organizations				
Art Club	\$ 886	\$ 1,457	\$ -	\$ 2,343
Drama Club	14,687	3,069	-	17,756
Bristol Bucks	110	224	-	334
PBIS	6,871	-	2,960	3,911
Ski Club	1,141	-	-	1,141
Misc	6,040	-	1,690	4,350
Special Teachers	146	41	-	187
Girls Basketball	5	-	-	5
Cheerleading	67	-	14	54
Boys Basketball	3,390	2,185	-	5,575
Band	3,498	-	327	3,171
Music	251	-	158	93
Pop Fund	-	112	-	112
Student Council	646	520	-	1,166
Dance	50	-	-	50
Library	8,625	1,630	-	10,255
Party and Snack Money	647	452	689	410
Ron Shanno	-	42	-	42
Kindergarten	37	468	480	25
First Grade	1,050	-	1,020	30
Second Grade	568	-	13	555
Third Grade	51	5	-	56
Fourth Grade	50	-	35	15
Fifth Grade	70	-	-	70
Sixth Grade	112	1,042	-	1,154
Seventh Grade	20	-	18	2
Eighth Grade	1,793	1,528	-	3,321
	\$ 50,811	\$ 12,775	\$ 7,404	\$ 56,183

FEDERAL AND STATE AWARDS SECTION

BRISTOL #1 SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2015

Awarding Agency/ Pass-Through Agency Award Description	Federal Catalog Number	Program Or Award Amount	Accrued Receivable July 1, 2014	Adjustment to Beginning Accrued Receivable	Expend- itures	Grantor Reimburse- ments	Accrued Receivable June 30, 2015
U.S. Dept. of Education Wisconsin Department of Public Instruction Title I	84.010	\$ 51,740	\$ 59,012	\$ -	\$ -	\$ 59,012	\$ -
July 1, 2013 to June 30, 2014			-	-	51,740	-	51,740
July 1, 2014 to June 30, 2015							
Title II-A	84.367	\$ 11,187	11,346	-	-	11,346	-
July 1, 2013 to June 30, 2014							
July 1, 2014 to June 30, 2015					11,187	11,187	-
<i>Special Education Cluster</i>	84.027	\$ 94,176	-	-	-	-	-
IDEA Flow Through (EIS)							
July 1, 2013 to June 30, 2014							
July 1, 2014 to June 30, 2015					94,176	29,288	64,888
IDEA CEIS Entitlement	84.027	\$ 9,910	15,225	(4,699)	-	10,526	-
July 1, 2013 to June 30, 2014							
July 1, 2014 to June 30, 2015					9,910	-	9,910
IDEA Preschool Entitlement	84.173	\$ 2,304	783	1,855	-	2,638	-
July 1, 2013 to June 30, 2014							
July 1, 2014 to June 30, 2015					2,304	514	1,790
IDEA flowthrough recovery	84.391		115,801	-	-	115,801	-
July 1, 2013 to June 30, 2014							
<i>Total Special Education Cluster</i>			131,809	(2,844)	106,390	158,767	76,588
Total U.S. Department of Education			\$ 202,167	\$ (2,844)	\$ 169,317	\$ 240,312	\$ 128,328

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

BRISTOL #1 SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2015

Awarding Agency/ Pass-Through Agency Award Description	Federal Catalog Number	Program Or Award Amount	Accrued Receivable July 1, 2014	Adjustment to Beginning Accrued Receivable	Expend- itures	Grantor Reimburse- ments	Accrued Receivable June 30, 2015
U.S. Dept of Agriculture: Wis. Dept of Public Instruction: <i>Child Nutrition Cluster</i> FOOD DISTRIBUTION	10.550	\$ 20,039	\$ -	\$ -	\$ 20,039	\$ 20,039	\$ -
July 1, 2014 to June 30, 2015							
SCHOOL BREAKFAST PROGRAM	10.553		144	-	-	144	-
July 1, 2013 to June 30, 2014							
July 1, 2014 to June 30, 2015			-	-	2,983	2,584	399
NAT'L SCHOOL LUNCH PROGRAM	10.555		3,283	(177)	-	3,106	-
July 1, 2013 to June 30, 2014							
July 1, 2014 to June 30, 2015			-	-	77,877	65,192	12,679
<i>Total Child Nutrition Cluster</i>			<u>3,427</u>	<u>(177)</u>	<u>100,899</u>	<u>91,065</u>	<u>13,078</u>
Total U.S. Dept of Agriculture			<u>3,427</u>	<u>(177)</u>	<u>100,899</u>	<u>91,065</u>	<u>13,078</u>
Total Federal Assistance			<u>\$ 205,594</u>	<u>\$ (3,021)</u>	<u>\$ 270,216</u>	<u>\$ 331,377</u>	<u>\$ 141,406</u>

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

BRISTOL #1 SCHOOL DISTRICT
 SCHEDULE OF STATE FINANCIAL ASSISTANCE
 For the Year Ended June 30, 2015

Awarding Agency/ Pass-through Agency Award Description	State I.D. Number	Accrued Receivable July 1, 2014	Adjustment to Beginning Accrued Receivable	State Reimbursements	State Expenditures	Accrued Receivable June 30, 2015
<u>WISCONSIN DEPARTMENT OF PUBLIC INSTRUCTION</u>						
<u>Entitlement Programs</u>						
<u>Major State Programs</u>						
Handicapped Pupils and School Age Parents:						
Internal District Programs	255.101	\$ -	\$ -	\$ 173,123	\$ 173,123	\$ -
Participant in Coop program at Trevor-Wilmot School District CESA #2		-	-	-	-	-
		-	-	44,617	44,617	-
Pupil Transportation	255.107	-	-	17,488	17,488	-
Equalization aid	255.201	50,200	-	3,337,532	3,335,622	48,290
TOTAL MAJOR PROGRAMS		50,200	-	3,572,760	3,570,850	48,290
<u>Nonmajor State Programs</u>						
State Lunch Program	255.102	-	-	3,061	3,061	-
Common School Fund	255.103	-	-	21,852	21,852	-
State Breakfast Program	255.344	-	-	256	256	-
Per pupil adjustment aid	255.945	-	-	94,650	94,650	-
Educator Effectiveness Grant	255.940	-	-	-	4,000	4,000
Exempt Computer Aid		5,012	(511)	4,501	3,215	3,726
TOTAL NONMAJOR PROGRAMS		5,012	(511)	124,320	127,034	7,726
TOTAL DEPARTMENT OF PUBLIC INSTRUCTION		\$ 55,212	\$ (511)	\$ 3,697,080	\$ 3,697,884	\$ 56,016

See accompanying notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

BRISTOL #1 SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance include the federal and state grant activity of the Bristol #1 School District and are presented on the modified accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Guidelines. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

The 2014-2015 eligible costs under the State Special Education Program are \$723,745

NOTE 3. FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. For the year ended June 30, 2015, the District had received \$20,039 in donated commodities.



Chamberlain & Henningfield

Certified Public Accountants, LLP

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
Bristol #1 School District
Bristol, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bristol #1 School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Bristol #1 School District's basic financial statements and have issued our report thereon dated December 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Bristol #1 School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Bristol #1 School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Bristol #1 School District's internal control over financial reporting.

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

identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses and questioned costs that we consider to be significant deficiencies (Findings 2015-1 and 2015-2).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bristol #1 School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2015-1 and 2015-2.

Bristol #1 School District's Response to Findings

Bristol #1 School District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Bristol #1 School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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


CHAMBERLAIN & HENNINGFIELD CPAs, LLP
Lake Geneva, Wisconsin

December 10, 2015

BRISTOL #1 SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 For the Year Ended June 30, 2015

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness identified	_____ yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)	<u> X </u> yes	_____ none reported
Noncompliance material to the financial statements?	_____ yes	<u> X </u> no

State Awards

Internal control over financial reporting:		
Material weakness identified?	_____ yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)	<u> X </u> yes	_____ none reported

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

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.101	Special Education and School Age Parents
255.107	Pupil Transportation
255.201	General Equalization

Section II - Financial Statement Findings

2015-1 **Condition** - The District does not maintain proper segregation of duties.

Criteria - Duties should be spread amongst the staff to ensure that no one staff person has control over an entire portion of an accounting process.

Cause - The size of the District does not make it feasible to hire sufficient staff required for proper segregation of duties.

Effect - The lack of segregation of duties could result in the override of management controls.

Recommendations - The District's management and board should exercise sufficient control and oversight to ensure the controls that have been implemented have been properly followed.

Views of Responsible Officials - The District will segregate the duties as much as possible and maintain sufficient management oversight.

2015-2 **Condition** - The District has the audit firm prepare the financial statements.

Criteria - Staff should be sufficiently knowledgeable to prepare the financial statements and related footnotes.

Cause - The size of the District does not make it feasible to hire sufficient staff required for the preparation of the financial statements.

Effect - The audit firm's preparation of the financial statements removes a level of oversight on the part of the District.

Recommendations - The District's staff should obtain sufficient training to become knowledgeable in the preparation of the financial statements.

Views of Responsible Officials - The District will seek additional training to better understand the financial statement concepts.

Section III - Federal and State Award Findings

2015-1 **Condition** - The District does not maintain proper segregation of duties.

Criteria - Duties should be spread amongst the staff to ensure that no one staff person has control over an entire portion of an accounting process.

Cause - The size of the District does not make it feasible to hire sufficient staff required for proper segregation of duties.

Effect - The lack of segregation of duties could result in the override of management controls.

Recommendations - The District's management and board should exercise sufficient control and oversight to ensure the controls that have been implemented have been properly followed.

Views of Responsible Officials - The District will segregate the duties as much as possible and maintain sufficient management oversight.

BRISTOL #1 SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2015

Summary Schedule of Prior Audit Findings

2014-1 **Condition** - The District does not maintain proper segregation of duties.

Recommendations - The District's management and board should exercise sufficient control and oversight to ensure the controls that have been implemented have been properly followed.

Current Year Status - The District continues segregate duties as much as possible and to maintain oversight over staff. This continues to be a finding at 2015-1.