

PULASKI COMMUNITY SCHOOL DISTRICT

Annual Financial Report

June 30, 2016

PULASKI COMMUNITY SCHOOL DISTRICT

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Board of Education
Pulaski Community School District
Pulaski, 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 Pulaski Community School District (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 Pulaski Community School District, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Education
Pulaski Community School District

Changes in Accounting Principles

As discussed in Note 1, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 82 *Pension Issues* as of and for the year ended June 30, 2016. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, schedule of funding progress – other post-employment benefits, schedules of proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System and schedule of revenues, expenditures and changes in fund balance – budget and actual information on pages 44 – 48 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 Pulaski Community School District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of Pulaski Community School District. The accompanying schedules of state financial assistance and changes in assets and liabilities – pupil activity fund are presented for purposes of additional analysis as required by *Wisconsin State Single Audit Guidelines* and the *Wisconsin Public School District Audit Manual*, issued by the Wisconsin Department of Public Instruction and are also not a required part of the basic financial statements of the District.

The combining nonmajor fund financial statements, schedule of changes in assets and liabilities – pupil activity funds, schedule of expenditures of federal awards and schedule of 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. This 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, this information is fairly stated, in all material respects in relation to the financial statements as a whole.

To the Board of Education
Pulaski Community School District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2017, on our consideration of Pulaski Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Pulaski Community School District's internal control over financial reporting and compliance.



KerberRose SC
Certified Public Accountants
January 27, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2016

This discussion and analysis of Pulaski Community School District's (District) financial information provides an overall review of financial activities for the fiscal year.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$37,275,723 (*net position*). Of this amount \$25,899,014 is the net investment in capital assets; \$297,772 is restricted for debt service retirement; \$91,095 is restricted for donor intentions; \$1,660,887 is restricted for capital projects; and \$5,791,223 is restricted for pension. This results in net unrestricted position of \$3,535,732.
- Net position on the district-wide financial statements for the most recent fiscal year decreased by \$2,135,044.
- As of June 30, 2016, the District's governmental funds reported ending fund balances of \$8,590,686, an increase of \$335,011 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,789,159.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, other supplementary information to the basic financial statements is provided, which is intended to give the reader additional detail in support of the basic financial statements.

District-wide financial statements

- The district-wide financial statements are the *statement of net position* and *statement of activities*. These statements present an aggregate view of the District's finances in a manner similar to private-sector business. Both statements distinguish functions that are supported principally by property taxes and intergovernmental revenues, called *governmental activities*, from functions that are intended to recover all or a significant portion of costs through user charges called *business-type activities*. The District has no business-type activities.
- The *statement of net position* presents information on all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference reported as *net position*. This statement reports all of the District's assets (cash and noncash), deferred outflows of resources and its known liabilities, both current and long-term and deferred inflows of resources. The purpose of this statement is to give the reader an understanding of the District's net worth. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, before such a determination can be made, other financial and nonfinancial factors need to be considered, such as changes in the District's property tax base, its state and federal aid, and the condition of its capital assets.
- The *statement of activities* presents information showing how the District's net position changed during the year. Revenues and expenses are reported by activity to give the reader an understanding of how each of the District's activities is being supported. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for all items that are known, even though they may not affect the actual cash flow of the District until a future year (e.g., uncollected taxes, earned but unused vacation, and other post-employment benefit obligations). This method of accounting is known as the accrual basis of accounting and is different from the modified accrual basis of accounting used in the District's fund financial statements. The intent of the district-wide financial statements is to give the reader a long-term view of the District's financial condition.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2016

Fund financial statements

- The District also produces *fund financial statements*. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District, like other state and local governments, uses fund accounting to demonstrate compliance with finance related legal requirements. Fund statements generally report operations in more detail than the district-wide statements and provide information that may be useful in evaluating a District's near-term financing requirements.
- There are two governmental fund financial statements, the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* (operating statement). Generally, fund statements focus on near-term inflows and outflows of spendable resources and their impact on fund balance. Such information may be useful in assessing a government's near-term financing requirements. These statements are located on pages 14 and 15 and 17 and 18.
- Since the focus of fund financial statements is narrower than that of the district-wide statements it is useful to make comparisons between the information presented. This helps readers better understand the long-term implication of the District's near-term financing decisions. A reconciliation to facilitate the comparison of the statement of net position to the governmental funds balance sheet is presented on page 16. A separate schedule to reconcile the statement of activities to the governmental funds operating statement is presented on page 19.
- The District has two kinds of funds: *governmental* and *fiduciary*. *Governmental funds* include the District's eight regular funds (general, debt service, special revenue trust, Indian education, capital projects, food service, community service and the cooperative program). The District has two *fiduciary* funds, a private-purpose trust for scholarship funds and an agency fund for student organizations.
- Financial information is presented separately on both the *balance sheet* and the *statement of revenues, expenditures and changes in fund balances* for the general, debt service, and capital projects fund as these are considered to be major funds. The other governmental funds are considered nonmajor funds. The financial information for these funds is combined and reported in the aggregate as "other governmental funds". Individual fund data for each of the nonmajor funds is in the combining statements, which can be found in the supplementary information section.
- The District serves as a trustee, or *fiduciary*, for student organizations and student scholarships. The assets of these organizations and scholarships do not directly benefit nor are under the direct control of the District. The District's responsibility is limited to ensuring the assets reported in these funds are used only for their intended purposes. *Fiduciary* activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations. Fiduciary fund statements are presented on pages 20 and 21.

Notes to the financial statements

The *notes to the financial statements* provide additional information that is essential to the full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 22 to 43.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget, pension plan and post-employment benefits. The District adopts an annual appropriation budget for its general fund. This *required supplementary information* can be found immediately following the notes on pages 44 to 48.

This report also contains *supplementary information*. This includes combining statements for the nonmajor governmental funds and a schedule of changes in assets and liabilities for the pupil activity fund. The supplementary information can be found on 49 to 53.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2016

FINANCIAL ANALYSIS

The District as a Whole

Summary of Net Position

	<u>2016</u>	<u>2015</u>
ASSETS		
Current Assets	\$ 16,168,752	\$ 16,822,888
Noncurrent Assets	36,746,451	40,306,830
Total Assets	<u>52,915,203</u>	<u>57,129,718</u>
DEFERRED OUTFLOWS OF RESOURCES		
	<u>14,148,551</u>	<u>3,387,664</u>
LIABILITIES		
Current Liabilities	10,281,123	10,614,625
Long-Term Liabilities	13,839,365	10,491,990
Total Liabilities	<u>24,120,488</u>	<u>21,106,615</u>
DEFERRED INFLOWS OF RESOURCES		
	<u>5,667,543</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	25,899,014	26,463,750
Restricted	7,840,977	9,031,902
Unrestricted	3,535,732	3,915,115
Total Net Position	<u>\$ 37,275,723</u>	<u>\$ 39,410,767</u>

As indicated by the schedule above, total net position is \$37,275,723 at June 30, 2016. Net position can be separated into three categories: net investment in capital assets, restricted net position, and unrestricted net position.

Net investment in capital assets is a combination of funds available for capital assets, plus capital assets at original cost less accumulated depreciation and related debt. The original cost of capital assets is \$69,929,729 at June 30, 2016, which is an accumulation of capital assets year after year less any capital disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with generally accepted accounting principles, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$33,183,278 at June 30, 2016. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position is restricted and represents resources that are subject to external restrictions on how they may be used. Restricted net position consist of donated assets required to be used for donor intentions of \$91,095; \$297,772 is restricted for debt service retirement; \$1,660,887 is restricted for capital projects; and \$5,791,223 is restricted for pension.

The District's unrestricted net position decreased \$379,383 from the prior fiscal year primarily due to the change in pension.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis

For the Year Ended June 30, 2016

Change in Net Position - The following table shows the changes in net position for the fiscal years ended June 30, 2016 and 2015.

	<u>Amounts 2016</u>	<u>Percent of Total</u>	<u>Amounts 2015</u>	<u>Percent of Total</u>
Program Revenues				
Charges for Services	\$ 2,910,124	6.32	\$ 3,187,750	6.82
Operating Grants	5,384,300	11.69	5,001,322	10.70
Total Program Revenues	<u>8,294,424</u>	<u>18.01</u>	<u>8,189,072</u>	<u>17.52</u>
General Revenues				
Property Taxes Levied for:				
General	11,896,340	25.83	12,014,270	25.69
Debt Service	1,944,079	4.22	2,714,197	5.80
Capital Projects	265,000	.58	265,000	.57
Community Services	150,000	.32	338,535	.72
State and Federal General Aids	23,057,082	50.06	22,776,388	48.71
Other	450,396	.98	464,314	.99
Total General Revenues	<u>37,762,897</u>	<u>81.99</u>	<u>38,572,704</u>	<u>82.68</u>
Total Revenues	<u>46,057,321</u>	<u>100.00</u>	<u>46,762,454</u>	<u>100.00</u>
Expenses				
Instruction	26,520,770	55.03	24,661,089	55.76
Support Services	18,050,619	37.46	16,223,829	36.68
Interest on Debt	380,998	.79	313,805	.71
Community Services	642,599	1.33	732,874	1.66
Non-Program Transactions	2,597,379	5.39	2,297,198	5.19
Total Expenses	<u>48,192,365</u>	<u>100.00</u>	<u>44,228,795</u>	<u>100.00</u>
Change in Net Position	<u>\$ (2,135,044)</u>		<u>\$ 2,532,981</u>	

Key elements of this change are as follows:

Debt service tax revenues and general fund tax revenues were used to pay off \$1,913,031 of long-term debt principal. The principal payments are shown as a reduction of the liability on the district-wide financial statements and not as an expense.

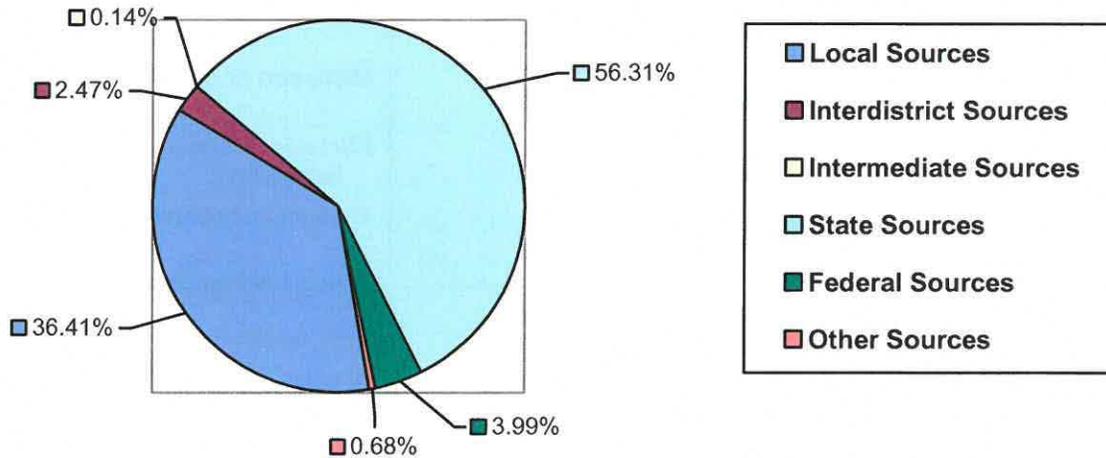
The Pulaski Community School District values the impact technology has on learning. In addition to engaging students, technology prepares them with skills essential for success in life and career. As a result, the Pulaski Community School District secured a lease to provide an iPad for each student in grades 5-12 and also refresh the current iPads in K-4 classrooms.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2016

Revenues

The following chart illustrates the District's sources of revenues by percentages:



The District relies primarily on property taxes and general state aid to fund governmental activities. General state aid is paid according to a formula taking into consideration District spending and property values as compared to spending and property values for the state as a whole. Property taxes and general state and federal aid account for 97% of district-wide revenues.

Local sources of revenues total \$16,734,076 and include revenues to the general fund of \$12,292,188, debt service fund of \$1,944,079, capital projects fund of \$656,569 and other governmental funds of \$1,841,240.

Interdistrict sources of revenues of \$1,133,456 are funds from other districts for open enrollment and general tuition to the general fund.

Intermediate sources of revenues total \$63,775 and include amounts received from CESAs and a county school for special needs students to the general fund.

State sources of revenue total \$25,878,486 and include revenues to the general fund of \$25,853,554 and other governmental funds of \$24,932.

Federal sources of revenue total \$1,835,285 and include revenue to the general fund of \$1,285,116 and other governmental funds of \$550,169.

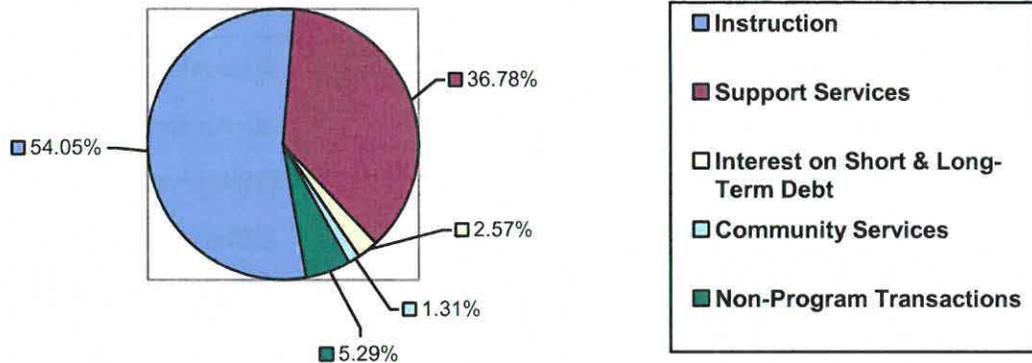
Other sources of revenue total \$312,649 and include revenue to the general fund of \$194,036 and debt service fund of \$118,613.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2016

Expenses

The following chart illustrates the District's expenses by percentages:



Expenses include instruction of \$26,520,770, support services of \$18,050,619, interest on short and long-term debt of \$1,261,644, community services of \$642,599 and non-program transactions of \$2,597,379.

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, the spendable fund balance may serve as a useful measure of the district's net resources available for spending at the end of the fiscal year.

As of June 30, 2016, the District's governmental funds reported combined ending fund balances of \$8,590,686 an increase of \$335,011 in comparison with the prior year.

- A portion of the fund balance is classified as nonspendable to indicate that it is not expected to be converted to cash because it has been used for prepaid expenses of \$5,079 and inventory of \$21,680.
- A portion of the fund balance is classified as restricted to indicate that legal constraints have been placed on the use of the funds for debt service payments of \$297,772, for donor intentions of \$91,095 and for capital projects of \$1,660,887.
- A portion of the fund balance has been committed by the Board of Education for capital expansion in the amount of \$699,739.
- A portion of the fund balance has been assigned for community service expenditures in the amount of \$25,275.
- The remaining fund balance of \$5,789,159 is unassigned.

The *general fund* is the chief operating fund of the District. As of June 30, 2016, the total fund balance of the general fund was \$6,498,529. The fund balance of the general fund decreased by \$43,155 from the prior year.

The *debt service fund* has a total fund balance of \$297,772, all of which is restricted for the payment of debt service. The fund balance increased by \$172,622.

The *capital projects fund* has a total fund balance of \$1,660,887, all of which is restricted for future capital projects. The fund balance increased by \$271,624.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2016

Fiduciary Funds

The District's fiduciary funds include a private purpose trust fund and an agency fund.

Net position of the private purpose trust fund at the end of the year amounted to \$987. This amount is restricted for scholarships. Net position decreased by \$6,703 from the prior year.

As of June 30, 2016, the agency fund reported that \$244,245 was due to student organizations, which is a decrease of \$108,517 from the prior year.

Budgetary highlights

The District's budget is shown in the following chart:

	<u>ORIGINAL AND FINAL BUDGET</u>	<u>2015-2016 ACTUAL</u>	<u>VARIANCE</u>	<u>PERCENT</u>
General Fund				
Revenues and Other Financing Sources	\$ 38,274,637	\$ 39,308,620	\$ 1,033,983	2.70%
Expenditures and Other Financing Uses	<u>38,729,637</u>	<u>39,351,775</u>	<u>(622,138)</u>	<u>1.61%</u>
Difference	<u>\$ (455,000)</u>	<u>\$ (43,155)</u>	<u>\$ 411,845</u>	

The District's actual general fund revenues and other financing sources were more than the budget by \$1,033,983, a variance of 2.7%. This variance is due to the recording of the Apple and copier leases.

The District's actual general fund expenditures and other financing uses were more than the budget by \$622,138, a variance of 1.61%. This variance is due to the recording of the Apple lease.

There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of the fiscal year, the District had invested a net of \$36,746,451 in a broad range of capital assets, including buildings, sites, and equipment. This amount represents an increase of \$540,159. Total accumulated depreciation on these assets is \$33,183,278.

- Asset acquisitions totaled \$2,829,989 for the fiscal year. The District issued \$2.8 million of general obligation debt to finance capital and maintenance projects throughout the District. At year end \$1.53 million of the capital and maintenance projects had been completed.
- The District recognized depreciation expense of \$2,289,830 during the fiscal year.

PULASKI COMMUNITY SCHOOL DISTRICT

Management's Discussion and Analysis
For the Year Ended June 30, 2016

Capital Assets (Continued)

	<u>2016</u>	<u>2015</u>
Land	\$ 741,172	\$ 741,172
Land Improvements	2,165,430	1,950,316
Buildings and Improvements	52,371,973	49,297,927
Furniture and Equipment	14,651,154	14,319,204
Construction in Progress	-	1,010,064
Less Accumulated Depreciation	<u>(33,183,278)</u>	<u>(31,112,391)</u>
Capital Assets Net of Depreciation	<u>\$ 36,746,451</u>	<u>\$ 36,206,292</u>

Long-Term Debt

	<u>2016</u>	<u>2015</u>
General Obligation Debt	\$ 11,511,900	\$ 10,364,608
Capital Leases	1,454,812	767,197
Compensated Absences	469,978	491,331
Post-Employment Benefits	327,712	857,387
Pension Liability (Asset)	2,689,785	<u>(4,100,538)</u>
	<u>\$ 16,454,187</u>	<u>\$ 8,379,985</u>

- The District retired \$4,690,629 of other long-term obligations.
- The District retired \$1,720,000 of outstanding debt.
- The District incurred \$2,800,000 in new debt and \$11,617,539 in other long-term obligations.
- \$1,269,475 of the debt issued in 2015-2016 remains in the capital projects fund to be spent on capital improvement projects in 2016-2017.
- The pension balance went from an asset in the prior year to a liability in the current year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

- The District anticipates immediate space needs beginning with the 2017-18 school year at Hillcrest Elementary School based on enrollment estimates.
- Based on anticipated growth in new housing developments surrounding Sunnyside Elementary School, the District foresees increased enrollment and predicts there will be a shortage of classroom space in the near future.
- The District completed the remodeling project for Glenbrook Elementary School and the District Offices during the 2015-16 school year.
- The Field of Dreams Steering Committee broke ground on Phase I (football stadium and track area) in the spring of 2016. The Board of Education approved the borrowing of \$2.8 Million for the project with the understanding that community donations/pledges will pay back the principal and interest over the next ten years. Due to the contributions of a generous donor, funding for Phase I has been secured. Phase I is scheduled for completion in September of 2016. The steering Committee has future plans for Phase II which would include upgrades to baseball/softball diamonds, tennis courts and soccer fields.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is prepared to provide 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 the Pulaski Community School District, 143 West Green Bay Street, Pulaski, Wisconsin 541612.

FINANCIAL STATEMENTS

PULASKI COMMUNITY SCHOOL DISTRICT

District-Wide Statement of Net Position

As of June 30, 2016

	<u>Governmental Activities</u>
ASSETS	
Current Assets	
Cash	\$ 9,436,128
Receivables:	
Taxes	3,677,886
Accounts	10,659
Due from Other Governments	1,258,583
Restricted Cash	1,758,737
Prepaid Expenses	5,079
Inventory	21,680
Total Current Assets	<u>16,168,752</u>
Noncurrent Assets	
Land	741,172
Land Improvements	2,165,430
Buildings and Building Improvements	52,371,973
Furniture and Equipment	14,651,154
Less: Accumulated Depreciation	(33,183,278)
Total Noncurrent Assets	<u>36,746,451</u>
TOTAL ASSETS	<u>52,915,203</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows of Resources Related to Pension	<u>14,148,551</u>
LIABILITIES	
Current Liabilities	
Notes Payable	2,800,000
Accounts Payable	410,052
Accrued Liabilities:	
Payroll, Payroll Taxes, Insurance	4,249,413
Interest	102,951
Unearned Revenues	103,885
Current Portion of Long-Term Obligations	2,614,822
Total Current Liabilities	<u>10,281,123</u>
Noncurrent Liabilities	
Noncurrent Portion of Long-Term Obligations	<u>13,839,365</u>
TOTAL LIABILITIES	<u>24,120,488</u>
DEFERRED INFLOW OF RESOURCES	
Deferred Inflows of Resources Related to Pension	<u>5,667,543</u>
NET POSITION	
Net Investment in Capital Assets	25,899,014
Restricted for:	
Debt Service	297,772
Donor Intentions	91,095
Capital Projects	1,660,887
Pension	5,791,223
Unrestricted	3,535,732
TOTAL NET POSITION	<u>\$ 37,275,723</u>

See Accompanying Notes

PULASKI COMMUNITY SCHOOL DISTRICT

District-Wide Statement of Activities

For the Year Ended June 30, 2016

	Program Revenues			Net (Expense)
	Expenses	Charges For Services	Operating Grants and Contributions	Revenue and Changes in Net Position
GOVERNMENTAL ACTIVITIES				
Instruction				
Regular Instruction	\$ 17,977,794	\$ 1,309,024	\$ 1,031,835	\$ (15,636,935)
Vocational Instruction	1,117,339	-	-	(1,117,339)
Physical Instruction	978,773	-	-	(978,773)
Special Instruction	5,457,571	93,759	2,444,907	(2,918,905)
Other Instruction	989,293	100,529	312,370	(576,394)
Total Instruction	26,520,770	1,503,312	3,789,112	(21,228,346)
Support Services				
Pupil Services	2,010,396	-	703,899	(1,306,497)
Instructional Staff Services	1,927,544	-	139,661	(1,787,883)
General Administration Services	346,406	-	-	(346,406)
Building Administration Services	2,246,589	-	-	(2,246,589)
Business Administration Services	443,205	-	-	(443,205)
Operations and Maintenance	4,491,281	-	-	(4,491,281)
Food Services	1,647,503	1,056,332	546,673	(44,498)
Pupil Transportation	2,299,283	-	204,955	(2,094,328)
Central Services	1,888,664	-	-	(1,888,664)
Insurance	400,392	-	-	(400,392)
Other Support Services	349,356	-	-	(349,356)
Interest on Debt	380,998	-	-	(380,998)
Total Support Services	18,431,617	1,056,332	1,595,188	(15,780,097)
Community Services				
Adult Education	202,096	295,404	-	93,308
Other Community Services	440,503	55,076	-	(385,427)
Total Community Services	642,599	350,480	-	(292,119)
Non-Program Transactions				
Open Enrollment	1,864,194	-	-	(1,864,194)
Non-Open Enrollment	733,185	-	-	(733,185)
Total Non-Program Transactions	2,597,379	-	-	(2,597,379)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 48,192,365	\$ 2,910,124	\$ 5,384,300	(39,897,941)
GENERAL REVENUES				
Property Taxes:				
General Purposes				11,896,340
Debt Services				1,944,079
Capital Projects				265,000
Community Services				150,000
State and Federal Aids not Restricted to				
Special Functions:				
Equalization and Computer Aid				23,057,082
Interest and Investment Earnings				12,582
Miscellaneous				437,814
Total General Revenues				37,762,897
CHANGES IN NET POSITION				(2,135,044)
NET POSITION - BEGINNING OF YEAR				39,410,767
NET POSITION - END OF YEAR				\$ 37,275,723

See Accompanying Notes

PULASKI COMMUNITY SCHOOL DISTRICT

Balance Sheet
Governmental Funds
As of June 30, 2016

	<u>General Fund</u>	<u>Debt Service</u>
ASSETS		
Cash	\$ 8,915,777	\$ 297,772
Receivables:		
Taxes	3,677,886	-
Accounts	780	-
Due from Other Governments	1,244,305	-
Restricted Cash	-	-
Prepaid Expenses	4,783	-
Inventory	4,848	-
TOTAL ASSETS	<u><u>\$ 13,848,379</u></u>	<u><u>\$ 297,772</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Notes Payable	\$ 2,800,000	\$ -
Accounts Payable	296,118	-
Accrued Liabilities:		
Payroll, Payroll Taxes, Insurance	4,215,285	-
Interest	14,716	-
Unearned Revenues	23,731	-
Total Liabilities	<u><u>7,349,850</u></u>	<u><u>-</u></u>
 Fund Balances		
Nonspendable:		
Prepaid Expenses	4,783	-
Inventory	4,848	-
Restricted		
Debt Service	-	297,772
Donor Intentions	-	-
Capital Projects	-	-
Committed:		
Capital Expansion	699,739	-
Assigned:		
Community Service	-	-
Unassigned	5,789,159	-
Total Fund Balances	<u><u>6,498,529</u></u>	<u><u>297,772</u></u>
 TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 13,848,379</u></u>	<u><u>\$ 297,772</u></u>

See Accompanying Notes

<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 222,579	\$ 9,436,128
-	-	3,677,886
-	9,879	10,659
-	14,278	1,258,583
1,758,737	-	1,758,737
-	296	5,079
-	16,832	21,680
<u>\$ 1,758,737</u>	<u>\$ 263,864</u>	<u>\$ 16,168,752</u>

\$ -	\$ -	\$ 2,800,000
97,850	16,084	410,052
-	34,128	4,249,413
-	-	14,716
-	80,154	103,885
<u>97,850</u>	<u>130,366</u>	<u>7,578,066</u>

-	296	5,079
-	16,832	21,680
-	-	297,772
-	91,095	91,095
1,660,887	-	1,660,887
-	-	699,739
-	25,275	25,275
-	-	5,789,159
<u>1,660,887</u>	<u>133,498</u>	<u>8,590,686</u>
<u>\$ 1,758,737</u>	<u>\$ 263,864</u>	<u>\$ 16,168,752</u>

See Accompanying Notes

PULASKI COMMUNITY SCHOOL DISTRICT

Reconciliation of the Balance Sheet - Governmental Funds to the District-Wide Statement of Net Position
As of June 30, 2016

Total Fund Balances - Governmental Funds \$ 8,590,686

Total net position reported in the statement of net position is different from the amount reported above as total governmental funds fund balance because:

Capital assets used in government activities are not financial resources and therefore are not reported in the fund statements. Amounts reported in the statement of net position that are not reported in the funds balance sheet:

Capital Assets	69,929,729	
Accumulated Depreciation	<u>(33,183,278)</u>	36,746,451

The District's proportionate share of the Wisconsin Retirement System is not an available financial resource; therefore, it is not reported in the fund financial statements.

Deferred Outflows of Resources Related to Pension	14,148,551	
Deferred Inflows of Resources Related to Pension	<u>(5,667,543)</u>	8,481,008

Certain liabilities, bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Liabilities reported in the statement of net position that are not reported in the funds balance sheet:

Long-Term Debt	(12,884,812)	
Accrued Interest on General Obligation Debt	(88,235)	
Net Pension Liability	(2,689,785)	
Other Post-Employment Benefits	(327,712)	
Vested Employee Benefits	(469,978)	
Premium on Bond Issuance	<u>(81,900)</u>	<u>(16,542,422)</u>

Total Net Position - Governmental Activities \$ 37,275,723

PULASKI COMMUNITY SCHOOL DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	\$ 11,896,340	\$ 1,944,079
Other Local Sources	395,848	-
Interdistrict Sources	1,133,456	-
Intermediate Sources	63,775	-
State Sources	25,853,554	-
Federal Sources	1,285,116	-
Other Sources	194,036	118,613
Total Revenues	<u>40,822,125</u>	<u>2,062,692</u>
EXPENDITURES		
Instruction		
Regular Instruction	16,256,020	-
Vocational Instruction	1,047,178	-
Physical Instruction	909,639	-
Special Instruction	5,175,021	-
Other Instruction	832,781	-
Total Instruction	<u>24,220,639</u>	<u>-</u>
Support Services		
Pupil Services	1,892,631	-
Instructional Staff Services	1,830,454	-
General Administration Services	332,084	-
Building Administration Services	2,026,747	-
Business Administration Services	435,959	-
Operations and Maintenance	3,142,290	-
Food Services	-	-
Pupil Transportation	2,313,014	-
Central Services	1,446,231	-
Insurance	400,392	-
Principal and Interest	236,065	1,961,316
Other Support Services	879,032	-
Total Support Services	<u>14,934,899</u>	<u>1,961,316</u>
Community Services		
Adult Education	-	-
Other Community Services	-	-
Total Community Services	<u>-</u>	<u>-</u>
Non-Program Transactions		
Open Enrollment	1,864,194	-
Non-Open Enrollment	679,404	-
Adjustments and Refunds	51,434	-
Total Non-Program Transactions	<u>2,595,032</u>	<u>-</u>
Total Expenditures	<u>41,750,570</u>	<u>1,961,316</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(928,445)</u>	<u>101,376</u>
OTHER FINANCING SOURCES (USES)		
Proceeds from Long-Term Debt	-	-
Acquisition of Capital Lease	880,646	-
Proceeds from Sale of Capital Assets	28,350	-
Transfers In	5,945	-
Transfers Out	(29,651)	-
Bond Premium	-	71,246
Total Other Financing Sources (Uses)	<u>885,290</u>	<u>71,246</u>
NET CHANGES IN FUND BALANCES	<u>(43,155)</u>	<u>172,622</u>
FUND BALANCES - BEGINNING OF YEAR	<u>6,541,684</u>	<u>125,150</u>
FUND BALANCES - END OF YEAR	<u>\$ 6,498,529</u>	<u>\$ 297,772</u>

See Accompanying Notes

<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 265,000	\$ 150,000	\$ 14,255,419
391,569	1,691,240	2,478,657
-	-	1,133,456
-	-	63,775
-	24,932	25,878,486
-	550,169	1,835,285
-	-	312,649
<u>656,569</u>	<u>2,416,341</u>	<u>45,957,727</u>
-	73,489	16,329,509
-	6,101	1,053,279
-	1,863	911,502
-	-	5,175,021
-	106,142	938,923
-	187,595	24,408,234
-	29,123	1,921,754
-	8,585	1,839,039
-	10	332,094
-	-	2,026,747
-	-	435,959
3,184,945	1,155	6,328,390
-	1,632,683	1,632,683
-	3,343	2,316,357
-	-	1,446,231
-	-	400,392
-	-	2,197,381
-	-	879,032
<u>3,184,945</u>	<u>1,674,899</u>	<u>21,756,059</u>
-	200,784	200,784
-	440,503	440,503
-	641,287	641,287
-	-	1,864,194
-	-	679,404
-	2,346	53,780
-	2,346	2,597,378
<u>3,184,945</u>	<u>2,506,127</u>	<u>49,402,958</u>
<u>(2,528,376)</u>	<u>(89,786)</u>	<u>(3,445,231)</u>
2,800,000	-	2,800,000
-	-	880,646
-	-	28,350
-	29,651	35,596
-	(5,945)	(35,596)
-	-	71,246
<u>2,800,000</u>	<u>23,706</u>	<u>3,780,242</u>
271,624	(66,080)	335,011
1,389,263	199,578	8,255,675
<u>\$ 1,660,887</u>	<u>\$ 133,498</u>	<u>\$ 8,590,686</u>

See Accompanying Notes

PULASKI COMMUNITY SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Net Change in Fund Balances - Total Governmental Funds		\$ 335,011
<i>Amounts reported in the statement of activities are different from the statement of revenues, expenditures and changes in fund balance because:</i>		
The acquisition of capital assets is 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 expense in the statement of activities:		
Capital outlay reported in governmental fund statements	2,829,989	
Depreciation expense reported in the statement of activities	<u>(2,289,830)</u>	
Amount by which capital outlays are greater than depreciation in the current period.		540,159
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:		
Compensated absences paid in current year	163,476	
Compensated absences earned in current year	(142,123)	
Other post-employment benefits paid in current year	1,092,323	
Other post-employment benefits earned in current year	<u>(562,648)</u>	
Amounts paid are more than amounts earned by		551,028
Amounts related to the pension that are not current financial resources are not reported in the fund financial statements.		(1,696,979)
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		1,913,031
Debt incurred in governmental funds is reported as an other financing source but is reported as an increase in outstanding long-term debt in the statement of net position and does not affect the statement of activities:		
The amount of general obligation bonds incurred in the current year is	(2,800,000)	
The amount of capital leases incurred in the current year is	<u>(880,646)</u>	
The amount of debt incurred in the current year is		(3,680,646)
In governmental funds interest payments on outstanding long-term debt are reported as an expenditure when paid. In the statement of activities interest is reported as incurred.		
The amount of interest paid during the current period	263,308	
The amount of interest accrued during the current period	<u>(292,664)</u>	
Interest paid is less than interest accrued by		(29,356)
Bond premium is allocated over the period the debt is outstanding and is reported as amortization expense in the statement of activities. The amount incurred and amortization expense for the current year is:		
Bond Premium Incurred	(71,246)	
Amortization of Bond Premium	<u>3,954</u>	(67,292)
Change in Net Position - Governmental Activities		<u><u>\$(2,135,044)</u></u>

PULASKI COMMUNITY SCHOOL DISTRICT

Statement of Net Position

Fiduciary Funds

As of June 30, 2016

	<u>Private- Purpose Trust Fund</u>	<u>Agency Funds</u>	<u>Total</u>
ASSETS			
Cash	\$ 987	\$ 244,245	\$ 245,232
LIABILITIES			
Due to Student Organizations	-	244,245	244,245
NET POSITION			
Restricted for Scholarships	<u>\$ 987</u>	<u>\$ -</u>	<u>\$ 987</u>

See Accompanying Notes

PULASKI COMMUNITY SCHOOL DISTRICT

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2016

	<u>Private- Purpose Trust Fund</u>
ADDITIONS	
Contributions	\$ 1,666
DEDUCTIONS	
Scholarships Awarded	<u>8,369</u>
CHANGE IN NET POSITION	(6,703)
NET POSITION - BEGINNING	<u>7,690</u>
NET POSITION - ENDING	<u><u>\$ 987</u></u>

See Accompanying Notes

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Pulaski Community School District (District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements, except for the implementation of the new accounting standard as explained later within this footnote. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

NATURE OF OPERATIONS

The Pulaski Community School District is organized as a unified school district. The District, governed by a seven-member elected school board, operates grades 4 year-old Kindergarten through 12 and is comprised of all or parts of sixteen taxing districts.

The accompanying financial statements present the activities of the Pulaski Community School District. The District is not a component unit of another reporting entity nor does it have any component units.

The financial reporting entity consists of (a) organizations for which the stand alone government is financially accountable and (b) the stand alone government that is controlled by a separately elected governing body that is legally separate and is fiscally independent. All of the accounts of the District comprise the stand alone government.

DISTRICT-WIDE STATEMENTS

The statement of net position and the statement of activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange 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 students and recipients for goods or services offered by the programs and (b) operating 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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS (Continued)

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

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

Governmental Funds

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

General Fund

The general fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital expenditures.

Fiduciary Funds

Agency Funds

Agency funds are used to account for assets held by the District as an agent for various student organizations.

Private-Purpose Trust

This fund reports a trust arrangement under which principal and income benefit a college scholarship program.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND FINANCIAL STATEMENTS (Continued)

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.

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

Capital Projects Fund – This fund accounts for proceeds from long-term borrowing and other resources to be used for capital improvement projects.

Nonmajor Funds

The District reports the following nonmajor funds:

Special Revenue Trust Fund – This fund accounts for donor donations restricted for special projects that can be used for District operations. The source of such funds are gifts and donations from private parties.

Indian Education – This fund accounts for the resources accumulated and payments made in association with the Federal Title VII grant.

Food Service Fund – This fund accounts for the activities associated with the District's hot lunch and breakfast programs.

Community Service Fund – This fund accounts for activities serving the community that are funded by property taxes and fees.

Cooperative Program Fund – This fund accounts for shared gifted and talented program expenditures made available to other Districts.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial report.

The district-wide financial statements and private purpose trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, including property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

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

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted assets 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.

CASH

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

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

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

PROPERTY TAXES

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

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2015 tax levy is used to finance operations of the District's fiscal year ended June 30, 2016. All property taxes are considered due on January 1, 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 30 and are available to pay current liabilities.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCOUNTS RECEIVABLE

Accounts receivable are recorded 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 the amount of such allowance would not be material.

INTERFUND ACTIVITY

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

CAPITAL ASSETS

Capital assets are reported at actual or estimated historical cost based on appraisals conducted by an independent third party professional appraisal firm. Donated assets are reported at acquisition value at the time received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows. Land and related improvements, building and related improvements and furniture and equipment which includes computers and library books are capitalized using a capitalization threshold of \$1,000. All depreciable capital assets are depreciated on a straight-line basis with estimated useful lives for land improvements and buildings and improvements of 20-50 years, furniture and equipment of 5-20 years, computer and related technology and library books of 7 years and textbooks of 5 years.

Depreciation is used to allocate the actual or estimated historical cost of all capital assets over their estimated useful lives.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition.

UNEARNED REVENUES

The district-wide statement of net position and balance sheet reports unearned revenue and therefore defers revenue recognition in connection with resources that have been received but not yet earned. When revenue recognition criteria are met, unearned revenue is reduced and revenue is recognized.

COMPENSATED ABSENCES AND POST-EMPLOYMENT BENEFITS

The District's sick pay policy allows employees to accrue unused sick time up to 90 days. All staff, including teaching staff, administrators, secretaries, aides, bus drivers, maintenance, custodians, and cooks are eligible to receive a one-time payout upon retirement or resignation at the rate of five dollars per hour.

Early retirement benefits are available to teachers and non-teachers meeting certain requirements. An actuarially determined value of future benefits to current and future retirees is recognized as a long-term liability in the statement of net position.

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

LONG-TERM OBLIGATIONS

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Principal payments decrease the long-term debt liability on the statement of net position and do not affect the statement of activities. Interest is reported as an expense on the statement of activities on the accrual basis.

In the fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Principal and interest payments are reported as debt service expenditures.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position and balance sheet sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

The district-wide financial statements have five items that qualify for reporting in this category. Accordingly, the items, pension plan – differences between expected and actual experience, pension plan – changes in assumptions, pension plan – net difference between projected and actual earnings on pension plan investment, pension plan – changes in proportion and differences between employer contributions and proportionate share of contributions and pension plan – employer contributions subsequent to the measurement date are reported in the statement of net position.

In addition to liabilities, the statement of net position and balance sheet sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time.

The district-wide financial statements have two items that qualify for reporting in this category. Accordingly, the items, pension plan – differences between expected and actual experience and pension plan – changes in proportion and differences between employer contributions and proportionate share of contributions.

CLAIMS AND JUDGMENTS

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

FUND EQUITY DESIGNATIONS

District-Wide Statements

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FUND EQUITY DESIGNATIONS (Continued)

- b. Restricted component of net position – Consists of resources with constraints placed on their use either by
 - 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or,
 - 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted component of net position – Net amount that does not meet the definition of “restricted” or “net investment in capital assets.”

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

Fund balance is classified as either 1) nonspendable, 2) restricted, 3) committed, 4) assigned, or 5) unassigned.

Nonspendable fund balance represents amounts that cannot be spent due to form (such as inventories and prepaid amounts), or amounts that must be maintained intact legally or contractually (such as the principal of a permanent fund).

Restricted fund balance represents amounts constrained for a specific purpose by external parties, constitutional provision or enabling legislation.

Committed fund balance represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority. It would require action by the same group to remove or change the constraints placed on the resources. The action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The School Board is the decision-making authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance.

Assigned fund balance, in the general fund, represents amounts constrained by the School Board for a specific intended purpose. The District has not delegated that authority to others. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance.

Unassigned fund balance represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in the unassigned fund balance.

The District, unless otherwise required by law or agreements, spends funds in the following order: restricted first, then committed, then assigned, and lastly unassigned.

The District has adopted a minimum fund balance policy that states the fund balance shall not fall below 10% of the operating budget in the general fund.

USE OF ESTIMATES

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

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IMPLEMENTATION OF NEW ACCOUNTING STANDARD

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 82 *Pension Issues* for the year ended June 30, 2016. Statement No. 82 addresses three issues that arose during implementation of GASB 67 and 68. The first relates to the definition of covered payroll included in RSI. The pronouncement also clarifies that a *deviation* from actuarial standards is not considered to be in conformity with the requirements of GASB 67 or 68 for selection of assumptions in determining the total pension liability. The last issue relates to employer-paid member contributions, commonly referred to as employer pick-up.

NOTE 2 - CASH

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

The District is authorized to invest its funds in accordance with Wisconsin Statutes. Allowable investments are as follows:

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

Additional restrictions could arise from local charters, ordinances, resolutions and grant resolutions of the District.

For all deposits shown, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 2 - CASH (Continued)

At June 30, 2016 the bank balance of cash was \$12,572,427. The District maintains its cash accounts at two financial institutions. Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned. The District does not have a deposit policy for custodial credit risk.

Deposits in each bank are insured by the FDIC up to \$250,000 for the combined amounts of all time and savings accounts (including NOW accounts); and up to \$250,000 for the combined amounts of all interest and non-interest bearing demand deposit accounts

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

The following represents a summary of deposits as of June 30, 2016:

Fully Insured Deposits	\$ 500,000
Collateralized by the Pledging Bank Trust Department in the District's Name	9,808,995
Uninsured	<u>2,263,432</u>
Total	<u><u>\$ 12,572,427</u></u>

NOTE 3 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016, are as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Food Service Fund	\$ 29,651	For operating expenditures in excess of revenues
Cooperative Program	General Fund	5,945	Transfer of excess revenues over expenditures
		<u>\$ 35,596</u>	

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 4 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets not being Depreciated:				
Construction Work in Process	\$ 1,010,064	\$ -	\$ 1,010,064	\$ -
Sites (Land)	741,172	-	-	741,172
Total Capital Assets not being Depreciated	<u>1,751,236</u>	<u>-</u>	<u>1,010,064</u>	<u>741,172</u>
Capital Assets Being Depreciated:				
Land Improvements	1,950,316	215,114	-	2,165,430
Buildings and Improvements	49,297,927	3,074,046	-	52,371,973
Furniture and Equipment	14,319,204	550,893	218,943	14,651,154
Total Capital Assets Being Depreciated	<u>65,567,447</u>	<u>3,840,053</u>	<u>218,943</u>	<u>69,188,557</u>
Less Accumulated Depreciation For:				
Land Improvements	(1,279,768)	(62,350)	-	(1,342,118)
Buildings and Improvements	(18,907,182)	(1,388,112)	-	(20,295,294)
Furniture and Equipment	(10,925,441)	(839,368)	(218,943)	(11,545,866)
Total Accumulated Depreciation	<u>(31,112,391)</u>	<u>(2,289,830)</u>	<u>(218,943)</u>	<u>(33,183,278)</u>
Total Capital Assets Being Depreciated, Net of Depreciation	<u>34,455,056</u>	<u>1,550,223</u>	<u>-</u>	<u>36,005,279</u>
Total Capital Assets	<u>\$ 36,206,292</u>	<u>\$ 1,550,223</u>	<u>\$ 1,010,064</u>	<u>\$ 36,746,451</u>

Depreciation expense was charged to the following functions:

Instruction:	
Regular	\$ 1,103,861
Support Services:	
Instructional Staff Services	271,004
Business Administration	592,009
Operations and Maintenance	41,244
Food Services	20,893
Pupil Transportation	260,819
Total Depreciation Expense	<u>\$ 2,289,830</u>

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 5 - SHORT-TERM NOTE PAYABLE

The District issues tax anticipation notes in advance of property tax collections, depositing the proceeds in its general fund. Due to the timing of tax revenue receipts these notes are necessary for the District to meet its cash flow needs throughout the year.

Short-term debt activity for the year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax Anticipation Notes	\$ 3,000,000	\$ 2,800,000	\$ 3,000,000	\$ 2,800,000

The \$2,800,000 short-term note was issued on October 15, 2015 and matured on September 19, 2016. The interest rate is 0.75%.

As of October 2016, the District secured short-term borrowing not to exceed \$3,500,000.

Total interest on short-term notes for the year ended June 30, 2016 totaled \$21,042.

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2016:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Amount Due Within One Year</u>
General Obligation Debt					
Refunding Bonds	\$ 3,280,000	\$ -	\$ 1,150,000	\$ 2,130,000	\$ 1,200,000
General Obligation Bonds	4,370,000	-	290,000	4,080,000	300,000
Promissory Notes	2,700,000	2,800,000	280,000	5,220,000	575,000
Adjustments for:					
Bond Premium	14,608	71,246	3,954	81,900	-
Total General Obligation Debt	<u>10,364,608</u>	<u>2,871,246</u>	<u>1,723,954</u>	<u>11,511,900</u>	<u>2,075,000</u>
Net Pension Liability (Asset)	(4,100,538)	10,032,122	3,241,799	2,689,785	-
Capital Leases	767,197	880,646	193,031	1,454,812	418,534
Compensated Absences	491,331	142,123	163,476	469,978	121,288
Other Post-Employment Benefits	857,387	562,648	1,092,323	327,712	-
Total Long-Term Obligations	<u>\$ 8,379,985</u>	<u>\$ 14,488,785</u>	<u>\$ 6,414,583</u>	<u>\$ 16,454,187</u>	<u>\$ 2,614,822</u>

Total interest paid for the year ended June 30, 2016 was \$263,308 for general obligation debt.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 6 - LONG-TERM OBLIGATIONS (Continued)

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, 2016, is comprised of the following individual issues:

	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance 6/30/16</u>
General Obligation Promissory Note	09/24/14	1.00% - 2.50%	09/01/24	\$ 2,420,000
General Obligation Promissory Note	03/09/16	1.50% - 2.50%	03/09/16	2,800,000
General Obligation Refunding Bond	08/11/10	2.00% - 3.00%	03/18/18	2,130,000
General Obligation Bonds	07/10/13	2.00% - 3.125%	03/01/28	4,080,000
Total General Long-Term Obligations				\$ 11,430,000

The 2015 equalized valuation of the District as certified by the Wisconsin Department of Revenue is \$1,695,485,492. The legal debt limit and margin of indebtedness as of June 30, 2016, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt Limit (10% of \$1,695,485,492)		\$ 169,548,549
Deduct long-term debt applicable to debt margin	\$ 12,884,812	
Less: Amounts available for financing general obligation debt	297,772	12,587,040
Margin of Indebtedness		\$ 156,961,509

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2016 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,493,534	\$ 357,638	\$ 2,851,172
2018	2,196,094	289,610	2,485,704
2019	1,285,687	239,162	1,524,849
2020	1,074,497	192,025	1,266,522
2021	900,000	166,440	1,066,440
2022-2026	4,160,000	504,219	4,664,219
2027-2028	775,000	70,931	845,931
Total	\$ 12,884,812	\$ 1,820,025	\$ 14,704,837

Net pension liability, compensated absences and post-employment benefits are excluded from the above cash flow requirements because repayment schedules have not been determined or are not required.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 7 - FUND EQUITY

District-Wide Statements

Net position reported on the district-wide statement of net position at June 30, 2016 includes the following:

Net Investment in Capital Assets	
Net Capital Assets	\$ 36,746,451
Less: Related Long-Term Debt Outstanding	10,847,437
Net Investment in Capital Assets	<u>25,899,014</u>
Restricted:	
Debt Retirement	297,772
Donor Intentions	91,095
Capital Projects	1,660,887
Pension	5,791,223
Total Restricted	<u>7,840,977</u>
Unrestricted	<u>3,535,732</u>
Total Net Position	<u>\$ 37,275,723</u>

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability (asset), deferred outflows of resources related to pensions, 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.

Accounting Changes. The WRS adopted GASB Statement No. 82, *Pension Issues, an amendment of GASB No. 67, No. 68 and No. 73* during the year ended December 31, 2015. Statement No. 82 addresses the presentation of payroll-related measures in the Required Supplementary Information, the selection of assumptions used in determining the total pension liability and related measures, and the classification of employer-paid member contributions. The effect on the District's beginning net position due to the implementation of GASB Statement No. 82 was \$1,182 and deemed to be immaterial. The change was included in current year activity.

General Information about the Pension Plan

Plan Description. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>

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

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

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

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

The WRS also provides death and disability benefits for employees.

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
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
2015	2.9	2

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

During the reporting period, the WRS recognized \$1,580,384 in contributions from the District.

Contribution rates as of June 30, 2016 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.6%	6.6%

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

At June 30, 2016, the District reported a liability of \$2,689,785 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. 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 liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the District's proportion was .16552719%, which was a decrease of .00141421% from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$3,241,799.

At June 30, 2016, the District reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 458,923	\$ 5,660,606
Changes in assumptions	1,881,890	-
Net differences between projected and actual earnings on pension plan investment	11,025,370	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,682	6,937
Employer contributions subsequent to the measurement date	780,686	-
Total	<u>\$ 14,148,551</u>	<u>\$ 5,667,543</u>

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The \$780,686 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 in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 3,471,949	\$ 1,371,556
2018	3,471,949	1,371,556
2019	3,471,949	1,371,556
2020	2,891,812	1,371,556
2021	60,206	181,319

Actuarial Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset)	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
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, 2015 is based upon a roll-forward of the asset calculated from the December 31, 2014 actuarial valuation.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>	<u>Destination Target Asset Allocation %</u>	<u>Long-Term Expected Nominal Rate of Return %</u>	<u>Long-Term Expected Real Rate of Return %</u>
US Equities	27.0%	23.0%	7.6%	4.7%
International Equities	24.5	22.0	8.5	5.6
Fixed Income	27.5	37.0	4.4	1.6
Inflation Sensitive Assets	10.0	20.0	4.2	1.4
Real Estate	7.0	7.0	6.5	3.6
Private Equity/Debt	7.0	7.0	9.4	6.5
Multi-Asset	4.0	4.0	6.7	3.8
Total Core Fund	107.0%	120.0%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. Equities	70.0%	70.0%	7.6%	4.7%
International Equities	30.0	30.0	8.5	5.6
Total Variable Fund	100.0%	100.0%	7.9%	5.0%

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

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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 liability (asset)	\$18,866,201	\$2,689,785	(\$9,944,285)

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

Payables to the Pension Plan

The District is required to remit the monthly required contribution for both the employee and District portions by the last day of the following month. The amount due to WRS as of June 30, 2016 is \$264,268 for June payrolls.

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description. The Pulaski Community School District operates a single-employer retiree benefit plan that provides post-employment health and life insurance benefits to eligible employees and their spouses. There are 504 active and 87 retired members in the plan. Benefits and eligibility for certified staff are established and amended by the Board of Education and include post-employment health coverage for some current retirees who retired prior to July 1, 2012. For employees retiring after July 1, 2012, the District makes post-retirement contributions to a tax sheltered annuity for retirees who were hired prior to July 1, 2003. Benefits and eligibility for non-certified staff are established and amended by the governing body.

Effective July 1, 2012, employees need to meet certain criteria in order to be eligible for the District-provided post-employment benefit upon their retirement. The District has grandfathered existing employees who have worked with the District prior to July 1, 2012. Those individuals will continue to receive benefits as described in the preceding paragraph.

Funding Policy. Payments under the plan are made on a pay-as-you go basis. There are no invested plan assets accumulated for payment of future benefits. The employer makes all contributions.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table illustrates the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

	Governmental Activities
Annual required contributions	\$ 671,251
Interest on net OPEB	34,295
Adjustments	<u>(142,898)</u>
Annual OPEB cost (expense)	562,648
Contributions made	<u>(1,092,323)</u>
Change in net OPEB obligations	(529,675)
OPEB obligation at beginning of year	<u>857,387</u>
OPEB obligation at end of year	<u>\$ 327,712</u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	\$ 917,005	146.31	\$ 1,477,496
6/30/15	469,327	232.13	857,387
6/30/16	562,648	194.14	327,712

Funded Status and Funding Progress. As of July 1, 2014, the most recent actuarial valuation date, for the period July 1, 2014 through June 30, 2015, the District's unfunded actuarial accrued liability (UAAL) was \$4,028,884. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2014-2015 fiscal year was \$22,672,241 for a ratio of the UAAL to covered payroll of 17.77%.

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

The schedule of funding progress, presented as RSI following the notes to the financial statements, is to present multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, because the District maintains no Plan assets, information relative to Plan asset required disclosures is not applicable.

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

The following simplifying assumptions were made in the valuation of the above described plan:

Retirement age for active employees. Rates are based on historical rates used by Wisconsin Retirement System (WRS) based on WRS experience to value pensions for public school employees.

PULASKI COMMUNITY SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2016

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Turnover. Turnover rates are based on historical rates experienced by Wisconsin Retirement System (WRS) to value pensions for public school employees.

Payroll growth rate. The expected long-term payroll growth rate was assumed to be 3.0%

Healthcare Cost Trend Rates. The expected rate of increase in health care insurance premiums is based on historical rates experienced by WRS to value pensions for public school employees shown below.

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2014	7.5%	2020	6.1%	2026	5.5%
2015	7.0%	2021	6.0%	2027	5.4%
2016	6.5%	2022	5.9%	2028	5.3%
2017	6.4%	2023	5.8%	2029	5.2%
2018	6.3%	2024	5.7%	2030	5.1%
2019	6.2%	2025	5.6%	2031 and after	5.0%

Mortality Tables. The expected mortality rates used are based on historic rates experienced by WRS to value pensions for Public School employees.

In the July 1, 2014 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumption included a rate of 4.0% to discount expected liabilities to the valuation date, which is based on the accumulation of benefit units earned from such things as salary and/or service years. The UAAL is being amortized as a level dollar over 7 years.

NOTE 10 - LIMITATION ON SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts may derive from general school aids and property taxes unless a higher amount 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 11 - COMMITMENTS AND CONTINGENCIES

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

From time to time the District is involved in legal actions and claims, most of which normally occur in governmental operations. In the opinion of District management, these issues, and any other proceedings known to exist at June 30, 2016, are not likely to have a material adverse impact on the District's financial position.

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 12 - SUBSEQUENT EVENTS

As of January 2017, the District received a donation in the amount of \$1.1 million for use toward the Field of Dreams capital project.

As of January 2017, the District spent the remaining balance of \$1.27 million of the \$2.8 million of debt proceeds incurred during 2015-16 for the Field of Dreams capital project.

NOTE 13 - RISK MANAGEMENT

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

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions

GASB Statement No. 75, establishes requirements for governments that provide their employees with OPEB through a trust and replaces GASB Statement No. 45 for those government employers. The most significant change is that governments will now be required to recognize their net OPEB liability, which is the difference between the total OPEB liability (the portion of the present value of projected benefit payments that is attributed to past periods) and the value of OPEB assets available to pay pension benefits. Additional note disclosure and the first two RSI schedules from GASB 74 will be required. This requirement also applies to cost sharing, multiple-employer plans and plans that are not administered through a trust. Unlike pension plans, which most governments have been funding for quite a while, many OPEB plans are severely underfunded, and the liability to be recorded will be significant. The statement mirrors the pension requirements of GASB 68. Most changes in the net OPEB liability will be included in current period expense. Other components, such as changes in economic assumptions, will be recognized over a closed period equal to the expected remaining service lives of all employees that are provided benefits. Differences between expected and actual investment rate of return will be recognized in expense over a closed five-year period. The pronouncement will be effective for years ending June 30, 2018.

GASB Statement No. 77, Tax Abatement Disclosures

GASB Statement No. 77, will not result in any accounting or reporting changes but will require specific note disclosures in the financial statements. Tax abatements are widely used by state and local governments to encourage economic development. Tax abatement is defined as an agreement between a government and a taxpayer in which the government agrees to forego tax revenues and the taxpayer agrees to take a specific action that contributes to economic development or achieves a public benefit. The statement requires disclosure about a reporting government's own tax abatement agreements and those that are entered into by other governments that reduce the reporting government's tax revenues (such as when a city or county enters into an agreement that reduces a school district's tax revenue). Disclosure requirements include the number of tax abatement agreements entered into during the reporting period; the total number in effect at end of the reporting period; the dollar amount by which tax revenues were reduced during the period; and a description of other commitments made in the agreements. Disclosures should be organized by each major program and should continue until the tax abatement agreement expires. The pronouncement will be effective for years ending June 30, 2017.

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Financial Statements
June 30, 2016

NOTE 14 - UPCOMING ACCOUNTING PRONOUNCEMENTS (Continued)

GASB Statement No. 80, Blending Requirements for Certain Component Units

GASB Statement No. 80 requires that component units incorporated as a nonprofit, when the primary government is the sole member, should be reported as a blended component unit. Component units that are included in accordance with GASB 39 are excluded from this statement. The pronouncement will be effective for years ending June 30, 2017.

GASB Statement No. 81, Irrevocable Split-Interest Agreements

GASB Statement No. 81 provides recognition and measurement guidance when a government is a beneficiary of a split-interest agreement. Governments will be required to recognize assets, liabilities and deferred inflows of resources at fair value at the inception of the agreement and must re-measure them annually. Examples include charitable lead trusts, charitable remainder trusts, life-interest in real estate and charitable annuity gifts. The pronouncement will be effective for years ending June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION

PULASKI COMMUNITY SCHOOL DISTRICT

Schedule of Funding Progress
Other Post-Employment Benefits
For the Year Ended June 30, 2016

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2010	-	\$ 15,541,312	\$ 15,541,312	0.00%	\$ 25,544,001	60.84%
7/1/2012	-	7,658,864	7,658,864	0.00%	21,011,980	36.45%
7/1/2014	-	4,028,884	4,028,884	0.00%	22,672,241	17.77%

PULASKI COMMUNITY SCHOOL DISTRICT
Schedules of Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

Schedule of Proportionate Share of the Net Pension Liability (Asset)

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.16552719%	0.16694140%
District's proportionate share of the net pension liability (asset)	\$ 2,689,785	\$ (4,100,538)
District's covered-employee payroll	\$ 23,240,975	\$23,121,477
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	11.57%	-17.73%
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.20%	102.74%

Schedule of Employer Contributions

	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,580,384	\$ 1,627,410
Contributions in relation to the contractually required contributions	(1,580,384)	(1,627,410)
Contribution deficiency (excess)	\$ -	\$ -
District's covered-employee payroll	\$ 23,240,975	\$23,121,477
Contributions as a percentage of covered-employee payroll	6.80%	7.04%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Ten years of data will be accumulated beginning with 2015.

PULASKI COMMUNITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original and Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
		<u>Basis</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
REVENUES			
Property Taxes	\$ 11,893,528	\$ 11,896,340	\$ 2,812
Other Local Sources	333,645	395,848	62,203
Interdistrict Sources	1,128,168	1,078,014	(50,154)
Intermediate Sources	19,541	25,458	5,917
State Sources	24,220,284	24,308,214	87,930
Federal Sources	571,171	495,769	(75,402)
Other Sources	99,250	194,036	94,786
Total Revenues	<u>38,265,587</u>	<u>38,393,679</u>	<u>128,092</u>
EXPENDITURES			
Instruction			
Regular Instruction	15,102,705	16,256,020	(1,153,315)
Vocational Instruction	1,044,545	1,047,178	(2,633)
Physical Instruction	926,725	909,639	17,086
Other Instruction	823,421	832,781	(9,360)
Total Instruction	<u>17,897,396</u>	<u>19,045,618</u>	<u>(1,148,222)</u>
Support Services			
Pupil Services	1,183,584	1,140,889	42,695
Instructional Staff Services	1,663,336	1,555,781	107,555
General Administration Services	401,542	332,084	69,458
Building Administration Services	2,022,728	2,026,747	(4,019)
Business Administration	441,000	426,199	14,801
Operations and Maintenance	3,106,315	3,139,871	(33,556)
Pupil Transportation	2,075,311	2,135,607	(60,296)
Central Services	1,488,339	1,442,086	46,253
Insurance	366,580	400,392	(33,812)
Principal and Interest	226,359	236,065	(9,706)
Other Support Services	902,076	879,032	23,044
Total Support Services	<u>13,877,170</u>	<u>13,714,753</u>	<u>162,417</u>
Non-Program Transactions			
Open Enrollment	1,868,355	1,817,841	50,514
Non-Open Enrollment	374,785	346,760	28,025
Adjustments and Refunds	49,829	51,434	(1,605)
Total Non-Program Transactions	<u>2,292,969</u>	<u>2,216,035</u>	<u>76,934</u>
Total Expenditures	<u>34,067,535</u>	<u>34,976,406</u>	<u>(908,871)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,198,052</u>	<u>3,417,273</u>	<u>(780,779)</u>
OTHER FINANCING SOURCES (USES)			
Acquisition of Capital Lease	-	880,646	880,646
Proceeds from Sale of Capital Assets	9,050	28,350	19,300
Transfers In	-	5,945	5,945
Transfers Out	(4,662,102)	(4,375,369)	286,733
Total Other Financing Sources (Uses)	<u>(4,653,052)</u>	<u>(3,460,428)</u>	<u>1,192,624</u>
NET CHANGE IN FUND BALANCE	<u>(455,000)</u>	<u>(43,155)</u>	<u>411,845</u>
FUND BALANCE - BEGINNING OF YEAR	<u>6,277,508</u>	<u>6,541,684</u>	<u>264,176</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,822,508</u>	<u>\$ 6,498,529</u>	<u>\$ 676,021</u>

See Accompanying Notes to Required Supplementary Information

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2016

BUDGETS AND BUDGETARY ACCOUNTING

Operating budgets are adopted each fiscal year for all governmental funds in accordance with Section 65.90 of the Wisconsin Statutes using the budgetary accounting basis prescribed by the Wisconsin Department of Public Instruction. The legally adopted budget and budgetary expenditure control is exercised at the two-digit subfunction level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by School Board resolution.

The District follows these procedures in establishing the budgetary data:

- a. Based upon requests from district staff, district administration recommends budget proposals to the school board.
- b. The school board reviews the proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- c. Pursuant to a public budget hearing, the school board may make alterations to the proposed budget.
- d. 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.
- e. 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 committed or assigned fund balance.

BASIS OF ACCOUNTING

The budget is prepared on the same modified accrual basis of accounting as applied to the governmental funds in the financial statements.

There is a perspective difference between the budget and reporting under generally accepted accounting principles (GAAP). For budgetary purposes the special education fund was budgeted separate from the general fund, but for GAAP the two are combined. There is a reconciliation to the statement of revenues, expenditures and changes in fund balances provided as part of the notes to the required supplementary information.

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget for the year ended June 30, 2016:

Individual Fund	Excess Expenditures
General Fund	
Regular Instruction	\$ 1,153,315
Vocational Instruction	2,633
Other Instruction	9,360
Building Administration	4,019
Operations and Maintenance	33,556
Pupil Transportation	60,296
Insurance	33,812
Principal and Interest	9,706
Adjustments and Refunds	1,605

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to Required Supplementary Information
June 30, 2016

BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	<u>General Fund</u>
Sources/Inflows of Resources	
Actual Amounts (Budgetary Basis) "Total Revenues and Other Financing Sources" from the Budgetary Comparison Schedule	\$ 39,308,620
Differences - Budget to GAAP	
The Special Education Fund was Budgeted Separately but does not meet the Definition of a Special Revenue Fund and was Combined with the General Fund	2,428,446
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 41,737,066</u>
Uses/Outflows of Resources	
Actual Amounts (Budgetary Basis) "Total Expenditures and Other Financing Uses" from the Budgetary Comparison Schedule	\$ 39,351,775
Differences - Budget to GAAP	
The Special Education Fund was Budgeted Separately but does not meet the Definition of a Special Revenue Fund and was Combined with the General Fund	6,774,164
The Transfer to the Special Education Fund is Eliminated because it is Considered to be Part of the General Fund	<u>(4,345,718)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 41,780,221</u>

DEFINED BENEFIT PENSION PLAN

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

Changes of assumptions. There were no changes in the assumptions

SUPPLEMENTARY INFORMATION

PULASKI COMMUNITY SCHOOL DISTRICT

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of June 30, 2016

	<u>Special Revenue Trust</u>	<u>Indian Education</u>	<u>Food Service</u>
ASSETS			
Cash	\$ 93,361	\$ 4,636	\$ 44,524
Receivables:			
Accounts	-	-	-
Due from Other Governments	-	-	14,278
Prepaid Expenses	-	-	-
Inventory	-	-	16,832
TOTAL ASSETS	<u>\$ 93,361</u>	<u>\$ 4,636</u>	<u>\$ 75,634</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 2,266	\$ -	\$ 4,866
Accrued Liabilities	-	4,636	8,587
Unearned Revenues	-	-	45,349
Total Liabilities	<u>2,266</u>	<u>4,636</u>	<u>58,802</u>
Fund Balances:			
Nonspendable:			
Prepaid Expenses	-	-	-
Inventory	-	-	16,832
Restricted:			
Donor Intentions	91,095	-	-
Assigned:			
Community Service	-	-	-
Total Fund Balances	<u>91,095</u>	<u>-</u>	<u>16,832</u>
	<u>\$ 93,361</u>	<u>\$ 4,636</u>	<u>\$ 75,634</u>

<u>Community Service</u>	<u>Cooperative Program</u>	<u>Total</u>
\$ 79,937	\$ 121	\$ 222,579
9,879	-	9,879
-	-	14,278
296	-	296
-	-	16,832
<u>\$ 90,112</u>	<u>\$ 121</u>	<u>\$ 263,864</u>

\$ 8,952	\$ -	\$ 16,084
20,784	121	34,128
34,805	-	80,154
<u>64,541</u>	<u>121</u>	<u>130,366</u>

296	-	296
-	-	16,832
-	-	91,095
25,275	-	25,275
<u>25,571</u>	<u>-</u>	<u>133,498</u>

<u>\$ 90,112</u>	<u>\$ 121</u>	<u>\$ 263,864</u>
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PULASKI COMMUNITY SCHOOL DISTRICT
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	<u>Special Revenue</u>	<u>Indian Education</u>	<u>Food Service</u>
REVENUES			
Property Taxes	\$ -	\$ -	\$ -
Other Local Sources	255,878	-	1,056,332
State Sources	-	-	24,932
Federal Sources	-	28,427	521,742
Total Revenues	<u>255,878</u>	<u>28,427</u>	<u>1,603,006</u>
EXPENDITURES			
Instruction:			
Regular Instruction	73,489	-	-
Vocational Instruction	6,101	-	-
Physical Instruction	1,863	-	-
Other Instruction	99,392	-	-
Total Instruction	<u>180,845</u>	<u>-</u>	<u>-</u>
Support Services:			
Pupil Services	1,075	28,048	-
Instructional Staff Services	8,206	379	-
General Administration Services	-	-	-
Operations and Maintenance	649	-	-
Pupil Transportation	3,295	-	-
Food Services	-	-	1,632,683
Total Support Services	<u>13,225</u>	<u>28,427</u>	<u>1,632,683</u>
Community Services:			
Adult Education	-	-	-
Other Community Services	-	-	-
Total Community Services	<u>-</u>	<u>-</u>	<u>-</u>
Non-Program Transactions:			
Disbursements to Non-Governmental Agencies	-	-	-
Total Expenditures	<u>194,070</u>	<u>28,427</u>	<u>1,632,683</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>61,808</u>	<u>-</u>	<u>(29,677)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	29,651
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>29,651</u>
NET CHANGE IN FUND BALANCES	61,808	-	(26)
FUND BALANCES - BEGINNING OF YEAR	<u>29,287</u>	<u>-</u>	<u>16,858</u>
FUND BALANCES - END OF YEAR	<u>\$ 91,095</u>	<u>\$ -</u>	<u>\$ 16,832</u>

<u>Community Service</u>	<u>Cooperative Program</u>	<u>Total</u>
\$ 150,000	\$ -	\$ 150,000
363,989	15,041	1,691,240
-	-	24,932
-	-	550,169
<u>513,989</u>	<u>15,041</u>	<u>2,416,341</u>
-	-	73,489
-	-	6,101
-	-	1,863
-	6,750	106,142
-	6,750	187,595
-	-	29,123
-	-	8,585
10	-	10
506	-	1,155
48	-	3,343
-	-	1,632,683
<u>564</u>	<u>-</u>	<u>1,674,899</u>
200,784	-	200,784
440,503	-	440,503
<u>641,287</u>	<u>-</u>	<u>641,287</u>
-	2,346	2,346
<u>641,851</u>	<u>9,096</u>	<u>2,506,127</u>
<u>(127,862)</u>	<u>5,945</u>	<u>(89,786)</u>
-	-	29,651
-	(5,945)	(5,945)
-	(5,945)	23,706
(127,862)	-	(66,080)
<u>153,433</u>	<u>-</u>	<u>199,578</u>
<u>\$ 25,571</u>	<u>\$ -</u>	<u>\$ 133,498</u>

PULASKI COMMUNITY SCHOOL DISTRICT

Schedule of Changes in Assets and Liabilities

Pupil Activity Fund

For the Year Ended June 30, 2016

	<u>Balance</u> <u>7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6/30/2016</u>
ASSETS				
Cash	<u>\$ 352,762</u>	<u>\$ 682,907</u>	<u>\$ 791,424</u>	<u>\$ 244,245</u>
LIABILITIES				
Due to Student Organizations:				
Sunnyside Elementary School	\$ 3,596	\$ 2,691	\$ 3,166	\$ 3,121
Fairview Elementary School	1,307	1,118	467	1,958
Glenbrook Elementary School	557	-	557	-
Middle School	86,385	144,342	202,520	28,207
High School	<u>260,917</u>	<u>534,756</u>	<u>584,714</u>	<u>210,959</u>
TOTAL LIABILITIES	<u>\$ 352,762</u>	<u>\$ 682,907</u>	<u>\$ 791,424</u>	<u>\$ 244,245</u>

ADDITIONAL REPORTS

Independent Auditors' Report on Internal Control Over Financing Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education
Pulaski Community School District
Pulaski, 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 Pulaski Community School District (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 27, 2017.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

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

To the Board of Education
Pulaski Community School District

Compliance and Other Matters

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

Purpose of this Report

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



KerberRose SC
Certified Public Accountants
January 27, 2017

Independent Auditors' Report on Compliance for Each Major Federal and State Program and on Internal Control Over Compliance Required by Uniform Guidance and *State Single Audit Guidelines*

To the Board of Education
Pulaski Community School District
Pulaski, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Pulaski Community School District's (District) compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Pulaski Community School District's major federal and state programs for the year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying *schedule of findings and responses*.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and *Wisconsin State Single Audit Guidelines*. Those standards, Uniform Guidance and the *Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal and State Programs

In our opinion, Pulaski Community School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016.

To the Board of Education
Pulaski Community School District

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Uniform Guidance* and the *Guidelines*. Accordingly, this report is not suitable for any other purpose.



KerberRose SC
Certified Public Accountants
January 27, 2017

FEDERAL AND STATE AWARDS SECTION

PULASKI COMMUNITY SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2016

Awarding Agency/ Award Description/ Pass-Through Agency	Catalog Number	Pass Through Number	Program or Award Amount
U.S. DEPARTMENT OF AGRICULTURE			
<i>CHILD NUTRITION CLUSTER</i>			
Wisconsin Department of Public Instruction			
Non-Cash Assistance (Commodities)			
National School Lunch Program			
July 1, 2015-June 30, 2016	10.555	714-000	\$ N/A
Cash Assistance			
School Breakfast Program			
July 1, 2014-June 30, 2015	10.553	717-546	N/A
July 1, 2015-June 30, 2016			N/A
National School Lunch Program			
July 1, 2014-June 30, 2015	10.555	717-547	N/A
July 1, 2015-June 30, 2016			N/A
TOTAL U.S. DEPARTMENT OF AGRICULTURE			
U.S. DEPARTMENT OF EDUCATION			
<i>SPECIAL EDUCATION CLUSTER</i>			
Wisconsin Department of Public Instruction			
PL 94-142 IDEA Flow Through			
July 1, 2014-June 30, 2015	84.027	730-341	674,261
July 1, 2015-June 30, 2016			630,648
PL 94-142 IDEA Flow Through EIS Project 10-341			
July 1, 2014-June 30, 2015	84.027a	730-341	43,841
July 1, 2015-June 30, 2016			46,019
IDEA High Cost Special Education			
July 1, 2015-June 30, 2016	84.027	711-000	-
PL 27-347 IDEA Preschool Entitlement			
July 1, 2014-June 30, 2015	84.173	730-347	25,161
July 1, 2015-June 30, 2016			25,497
CESA #7			
Soaring Project	84.027	515-632	
July 1, 2015-June 30, 2016			7,500
Total Special Education Cluster			
<i>TITLE I CLUSTER</i>			
Wisconsin Department of Public Instruction			
Title I-A Basic Grant			
July 1, 2014-June 30, 2015	84.010	751-141	405,091
July 1, 2015-June 30, 2016			312,954
<i>IMPROVING TEACHER QUALITY STATE GRANT</i>			
Wisconsin Department of Public Instruction			
July 1, 2014-June 30, 2015	84.367	730-365	125,840
July 1, 2015-June 30, 2016			125,681
<i>TITLE III-A ENGLISH LANGUAGE ACQUISITION</i>			
CESA #7			
July 1, 2015-June 30, 2016	84.365	517-391	N/A

The accompanying notes are an integral part of this schedule.

Accrued Receivable 7/1/15	Grantor Reimbursements	Expenditures	Accrued Receivable 6/30/16
\$ -	\$ 102,084	\$ 102,084	\$ -
1,254	1,254	-	-
-	41,545	42,656	1,111
19,620	19,620	-	-
-	363,834	377,001	13,167
<u>20,874</u>	<u>528,337</u>	<u>521,741</u>	<u>14,278</u>
33,793	33,793	-	-
-	488,517	545,050	56,533
14,816	14,816	-	-
-	32,240	45,630	13,390
-	9,567	9,567	-
4,742	4,742	-	-
-	20,358	20,838	480
-	7,500	7,500	-
<u>53,351</u>	<u>611,533</u>	<u>628,585</u>	<u>70,403</u>
85,064	85,064	-	-
-	226,823	295,593	68,770
14,265	14,265	-	-
-	32,266	44,327	12,061
-	1,264	1,264	-

The accompanying notes are an integral part of this schedule.

PULASKI COMMUNITY SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2016

Awarding Agency/ Award Description/ Pass-Through Agency	Catalog Number	Pass Through Number	Program or Award Amount
<i>INDIAN EDUCATION</i>			
Direct Award			
July 1, 2005-June 30, 2006	84.060		\$ 32,198
July 1, 2015-June 30, 2016	84.060	791-290	28,427
<i>VOCATIONAL EDUCATION - TECHNOLOGY</i>			
CESA #7			
July 1, 2015-June 30, 2016	84.048	517-440	16,694
TOTAL U.S. DEPARTMENT OF EDUCATION			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>MEDICAID SCHOOL BASED SERVICES</i>			
Wisconsin Department of Health Services			
July 1, 2014-June 30, 2015	93.778	Unknown	N/A
July 1, 2015-June 30, 2016			
TOTAL FEDERAL ASSISTANCE			

<u>Accrued Receivable 7/1/15</u>	<u>Grantor Reimbursement</u>	<u>Expenditures</u>	<u>Accrued Receivable 6/30/16</u>
\$ -	\$ -	\$ -	\$ -
-	28,427	28,427	-
-	16,694	16,694	-
<u>152,680</u>	<u>1,016,336</u>	<u>1,014,890</u>	<u>151,234</u>
-	213,892	213,892	-
-	110,220	110,220	-
<u>\$ 173,554</u>	<u>\$ 1,868,785</u>	<u>\$ 1,860,743</u>	<u>\$ 165,512</u>

The accompanying notes are an integral part of this schedule.

PULASKI COMMUNITY SCHOOL DISTRICT

Schedule of State Financial Assistance

For the Year Ended June 30, 2016

Awarding Agency/ Awarding Description/ Pass-Through Agency	State I.D. Number	Accrued Receivable 7/1/2015
ENTITLEMENT PROGRAMS		
<i>MAJOR STATE PROGRAMS</i>		
Handicapped Pupils and School Age Parents		
Internal District Program - DPI	255.101	\$ -
Handicapped Aid Transit - CESA #8	255.101	16,167
Handicapped Aid Transit - CESA #7	255.101	-
Handicapped Aid Transit - Brown County	255.101	-
General Transportation Aid	255.107	-
General Equalization - DPI	255.201	400,352
TOTAL MAJOR PROGRAMS		416,519
<i>NONMAJOR STATE PROGRAMS</i>		
State Lunch - DPI	255.102	-
Morning Milk - DPI	255.109	-
Library Aid - DPI	255.103	-
Student Achievement Guarantee in Education	255.504	-
Computer Aid	N/A	7,637
High Cost Special Education Aid - DPI	255.210	-
Peer Review and Mentoring - DPI	255.301	-
School Breakfast Program - DPI	255.344	-
Per Pupil Adjustment Aid - DPI	255.945	-
AODA Student Mini-Grant Program - DPI	255.306	101
Financial Literacy Innovation Grant - DPI	255.913	1,183
UWGB WEEB Forest Grant	N/A	1,708
DWD - GPS Education Partners Youth Apprenticeship Grant	N/A	-
Career And Technical Educ Incentive Grant - DPI	255.950	-
Tribal Language Revitalization - DPI	255.364	5,860
Educator Effectiveness - DPI	255.940	-
WI Dept of Natural Resources	N/A	-
TOTAL NONMAJOR PROGRAMS		16,489
TOTAL STATE ASSISTANCE		\$ 433,008

The accompanying notes are an integral part of this schedule.

<u>State</u> <u>Reimbursements</u>	<u>Expenditures</u>	<u>Accrued</u> <u>Receivable</u> <u>6/30/16</u>
\$ 1,526,692	\$ 1,526,692	\$ -
23,028	26,367	19,506
1,977	1,977	-
9,973	9,973	-
204,956	204,956	-
<u>23,046,166</u>	<u>23,050,509</u>	<u>404,695</u>
<u>24,812,792</u>	<u>24,820,474</u>	<u>424,201</u>
16,684	16,684	-
4,123	4,123	-
145,299	145,299	-
245,400	245,400	-
7,637	6,573	6,573
18,648	18,648	-
-	24,990	24,990
4,125	4,125	-
-	558,600	558,600
101	-	-
1,183	-	-
1,845	460	323
1,959	1,959	-
12,964	12,964	-
26,863	30,300	9,297
25,120	25,120	-
1,084	1,084	-
<u>513,035</u>	<u>1,096,329</u>	<u>599,783</u>
<u>\$ 25,325,827</u>	<u>\$ 25,916,803</u>	<u>\$ 1,023,984</u>

The accompanying notes are an integral part of this schedule.

PULASKI COMMUNITY SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Year Ended June 30, 2016

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 Pulaski Community School District under programs of the federal and state governments for the year ended June 30, 2016. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State Single Audit Guidelines*. Because the schedule presents only a select portion of operations of the District, it is not intended to, and does not, present the financial position and change in net position of the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pulaski Community School District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the *Uniform Guidance*.

NOTE 3 - SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

2015 - 2016 eligible costs under the State Special Education Program are \$5,706,017.

NOTE 4 - OVERSIGHT AGENCIES

The District's federal oversight agency is the U.S. Department of Education. The District's state cognizant agency is the Wisconsin Department of Public Instruction.

PULASKI COMMUNITY SCHOOL DISTRICT

Schedule of Findings and Responses

For the Year Ended June 30, 2016

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Noncompliance material to the financial statements?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program
93.778	Medical Assistance Program
Child Nutrition Cluster: 10.553	School Breakfast Program
10.555	National School Lunch Program

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

State Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major state programs:

State I.D. Number	Name of State Program
255.101	Handicapped Pupils and School Age Parents
255.201	General Equalization
255.107	General Transportation Aid

PULASKI COMMUNITY SCHOOL DISTRICT
Schedule of Findings and Responses - Continued
For the Year Ended June 30, 2016

Section II - Financial Statement Finding

There were no financial statement findings.

Section III - Federal Award Finding

There were no Federal award findings.

Section IV - State Award Finding

There were no State award findings.