



**JOHNSON BLOCK**

**CPAs**

**SCHOOL DISTRICT  
OF WISCONSIN DELLS**

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

**For the Year Ended June 30, 2019**

**Johnson Block & Company, Inc.  
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**School District of Wisconsin Dells  
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For The Year Ended June 30, 2019**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Wisconsin Dells as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the School District of Wisconsin Dells' basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 previously present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School District of Wisconsin Dells, as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As noted in Note 16 to the financials, beginning net position of the governmental activities was increased by \$115,478. The restatement is the result of the District allocating the District Health Insurance Plan liability between the governmental-type and business type activities, and to correct values in capital assets. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management discussion and analysis, budgetary comparison information, Schedule of Changes in the District's Total OPEB Liability and Related Ratios, the Local Retiree Life Insurance Fund Schedules and Wisconsin Retirement System schedules on pages iv-xiii and 48-56 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 Matters (Continued)**

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District of Wisconsin Dells' basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are 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 the State Single Audit Guidelines issued by the Wisconsin Department of Administration (DOA), and are also not a required part of the basic financial statements.

The other supplementary information and schedules of awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedules of awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2019 on our consideration of the School District of Wisconsin Dells' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District of Wisconsin Dells' internal control over financial reporting and compliance.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
December 18, 2019

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

The discussion and analysis of the School District of Wisconsin Dells' financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2019. This information should be read in conjunction with the audited financial statements included in this report.

#### FINANCIAL HIGHLIGHTS

- The District's net position for the most recent fiscal year increased by \$2,027,687 from the prior year. The change includes an increase of \$2,005,058 in governmental activities and an increase of \$22,629 in business-type activities.
- In governmental funds, total fund balance increased by \$23,730,037.
- Total District revenues were \$27,413,146, including \$19,156,440 in property taxes, \$7,354,076 federal and state aid and other grants and contributions, \$345,329 charges for services, and \$557,301 in other revenues.
- Total District expenditures were \$25,319,579, including \$14,741,704 for direct instruction.
- The District's financial position was such that there was no need to issue tax anticipation notes for cash flow purposes prior. The notes have been necessary in prior years because payments for the year begin in July, which is well before tax collections are received from the municipalities beginning in January.

#### OVERVIEW OF FINANCIAL STATEMENTS

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

##### 1. District-Wide Financial Statements

- District-wide financial statements are the Statement of Net Position and the Statement of Activities. These statements present an aggregate view of the District's finances in a manner similar to private-sector companies. 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 fees and charges called business-type activities.
- The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating, respectively.
- The statement of activities presents information showing how the District's net position changed during the year. This statement reports the cost of government and business-type functions, and how those functions were financed for the fiscal year.

##### 2. 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 financial statements and provide information that may be useful in evaluating a district's near-term financing requirements.

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

- There are two governmental fund financial statements, the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance. Generally, fund financial statements focus on near-term inflows and outflows of spendable resources and their impact on fund balance.
- Because the focus of fund financial statements is narrower than that of the district-wide financial statements, it is useful to make comparisons between the various sources of information presented. This helps the reader better understand the long-term implications of the District's near-term financial decisions. A reconciliation to facilitate the comparison of the Statement of Net Position to the Governmental Funds Balance Sheet is presented on page 4. A separate statement to reconcile the Government Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities is presented on page 6.
- The District has three kinds of funds: governmental, proprietary and fiduciary. Governmental funds include the District's three regular funds, general, debt service and other governmental, which includes the special revenue trust fund and the community service fund. The District has one proprietary fund, the food service fund; and three fiduciary funds, an agency fund for student organizations, a scholarship fund and a post-employment benefit trust fund.
- Governmental funds – Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.
- Proprietary funds – The proprietary fund statement for the District's food service program is prepared on the same basis of accounting and measurement focus as the district-wide financial statements. This includes the Statement of Net Position on page 7 and a Statement of Revenues, Expenses and Changes in Net Position on page 8. In addition, the District provides a Statement of Cash Flows on page 9 for any proprietary fund.
- Fiduciary funds - The District is the trustee, or fiduciary, for student organizations. The assets of these organizations belong to the organization and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. Other fiduciary funds reported are scholarship funds and postemployment benefit trust fund. Fiduciary activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.
- The District adopts an annual appropriation budget for its general fund.

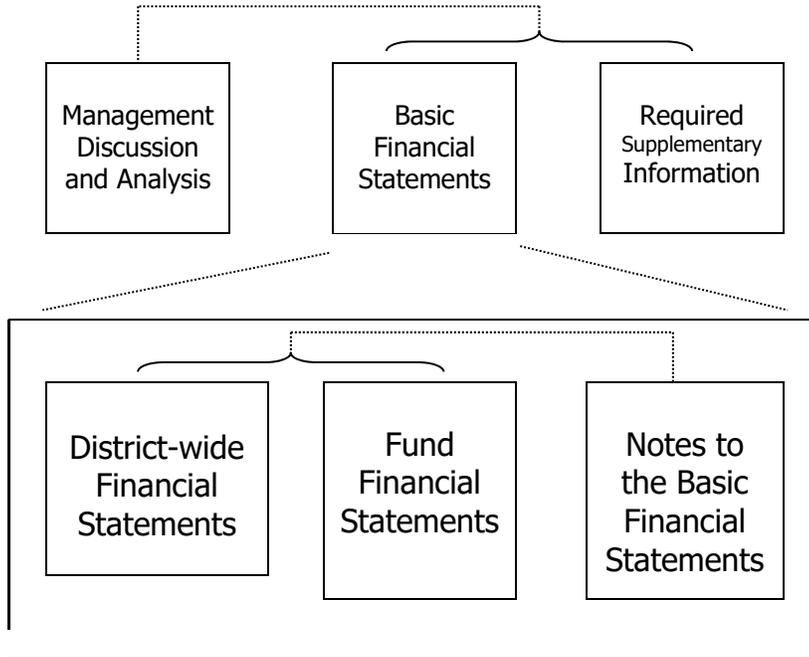
3. Notes to the Basic Financial Statements

- The notes to the basic 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 basic financial statements follow the basic financial statements.

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Figure 1 shows how the required parts of the Financial Statements are arranged and relate to one another:

Figure 1  
Required Components of  
Financial Statements



**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Figure 2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain.

Figure 2  
Government-wide and Fund Financial Statements

	District-wide Financial Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as education, administration and community services	Activities the District operates similar to private business – Food Services	Instances in which the District is the trustee or agent to someone else's resources – Scholarship Funds
Required Financial Statements	Statement of Net Position  Statement of Activities	Balance Sheet  Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position  Statement of Revenues, Expenses and Changes in Net Position  Statement of Cash Flows	Statement of Net Position  Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual Accounting and Economic Resources Focus	Modified Accrual Accounting and Current Financial Resources Focus	Accrual Accounting and Economic Resources Focus	Accrual Accounting and Economic Resources Focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short- term and long- term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of Inflow- Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE

Table 1 provides a summary of the District's net position at June 30, 2019, compared to June 30, 2018.

Table 1  
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current Assets	\$ 36,745,883	\$ 9,874,128	\$ 208,579	\$ 176,773	\$36,954,462	\$10,050,901
Capital Assets	32,004,520	31,162,939	244,770	244,770	32,249,290	31,407,709
Less Accumulated Depreciation	(14,471,815)	(17,893,898)	(220,666)	(219,465)	(14,692,481)	(18,113,363)
Capital Assets, net book value	17,532,705	13,269,041	24,104	25,305	17,556,809	13,294,346
Other non-current Assets	-	2,057,682	-	53,615	-	2,111,297
Total Assets	54,278,588	25,200,851	232,683	255,693	54,511,271	25,456,544
<b>Deferred Outflows of Resources</b>						
Deferred Pension related outflows of resources	6,235,049	5,664,802	163,540	147,602	6,398,589	5,812,404
OPEB related outflows of resources	838,561	872,295	7,897	-	846,458	872,295
	7,073,610	6,537,097	171,437	147,602	7,245,047	6,684,699
<b>Liabilities</b>						
Current Liabilities	7,415,841	2,186,576	11,028	28,309	7,426,869	2,214,885
Long-term Liabilities	31,442,854	6,294,998	115,087	-	31,557,941	6,294,998
Total Liabilities	38,858,695	8,481,574	126,115	28,309	38,984,810	8,509,883
<b>Deferred Inflows of Resources</b>						
Deferred Pension Inflows	3,303,632	6,736,564	86,652	163,018	3,390,284	6,899,582
OPEB Related outflows of resources	549,525		5,033		554,558	
Total Deferred Inflows of Resources	3,853,157	6,736,564	91,685	163,018	3,944,842	6,899,582
<b>Net Position</b>						
Net Investment in Capital Assets	13,485,437	12,434,041	24,104	25,305	13,509,541	12,459,346
Restricted	2,766,182	2,529,910	162,216	186,663	2,928,398	2,716,573
Unrestricted	2,388,727	1,555,859	-	-	2,388,727	1,555,859
Total Net Position	\$ 18,640,346	\$ 16,519,810	\$ 186,320	\$ 211,968	\$18,826,666	\$16,731,778

In governmental activities, the largest portions of the District's net position is its investment in capital assets (e.g. land, buildings, and equipment), less related outstanding debt used to acquire those assets, and in restricted cash. These assets are used to provide services to students and, consequently, are not available for future spending. School District of Wisconsin Dells maintains its buildings from annual operating funds appropriated for maintenance and repairs.

Restricted net position accounts for 15.55% of total net position. The District is required by state statute to have available in the debt service fund an amount sufficient to make debt payments required between the beginning of the fiscal year (July 1) and receipt of the first tax payments (normally January 20). The restricted net position includes \$1,970,266 for debt service.

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Table 2 shows the changes in net position for the fiscal years 2019 and 2018.

Table 2  
Change in Net Position

	Government Activities		Business-Type Activities		Total School District	
	2019	2018	2019	2018	2019	2018
<b>General Revenues</b>						
Property Taxes	\$ 19,156,440	\$ 16,997,060	\$ -	\$ -	\$ 19,156,440	\$ 16,997,060
Federal and State Aid	2,787,349	2,234,279	-	-	2,787,349	2,234,279
Other	1,892,701	145,209	-	-	1,892,701	145,209
Total General Revenues	23,836,490	19,376,548	-	-	23,836,490	19,376,548
<b>Program Revenues</b>						
Charges for Services	90,519	181,263	254,810	288,374	345,329	469,637
Operating Grants & Contributions	2,623,685	2,395,411	607,642	560,249	3,231,327	2,955,660
Total Program Revenues	2,714,204	2,576,674	862,452	848,623	3,576,656	3,425,297
Total Revenues	26,550,694	21,953,222	862,452	848,623	27,413,146	22,801,845
<b>Program Expenses</b>						
Instruction	14,741,704	13,691,085	-	-	14,741,704	13,691,085
Pupil & Instructional Services	2,316,099	1,876,268	-	-	2,316,099	1,876,268
General Administration & Finance	1,944,517	1,863,795	-	-	1,944,517	1,863,795
Operations and Maintenance	2,002,936	2,026,313	-	-	2,002,936	2,026,313
Pupil Transportation	1,176,179	741,672	-	-	1,176,179	741,672
Community Service	-	3,931	-	-	-	3,931
Interest on Debt	997,985	47,325	-	-	997,985	47,325
Other	1,300,306	1,924,902	-	-	1,300,306	1,924,902
Food Service Program	-	-	839,823	821,129	839,823	22,996,420
Total Expenses	24,479,726	22,175,291	839,823	821,129	25,319,549	22,996,420
Gain (Loss) on Disposal	(65,910)	132,339	-	-	(65,910)	132,339
Change in Net Position	\$ 2,005,058	\$ (89,730)	\$ 22,629	\$ 27,494	\$ 2,027,687	\$ (62,236)

**Governmental Activities**

The District relies primarily on property taxes to fund governmental activities.

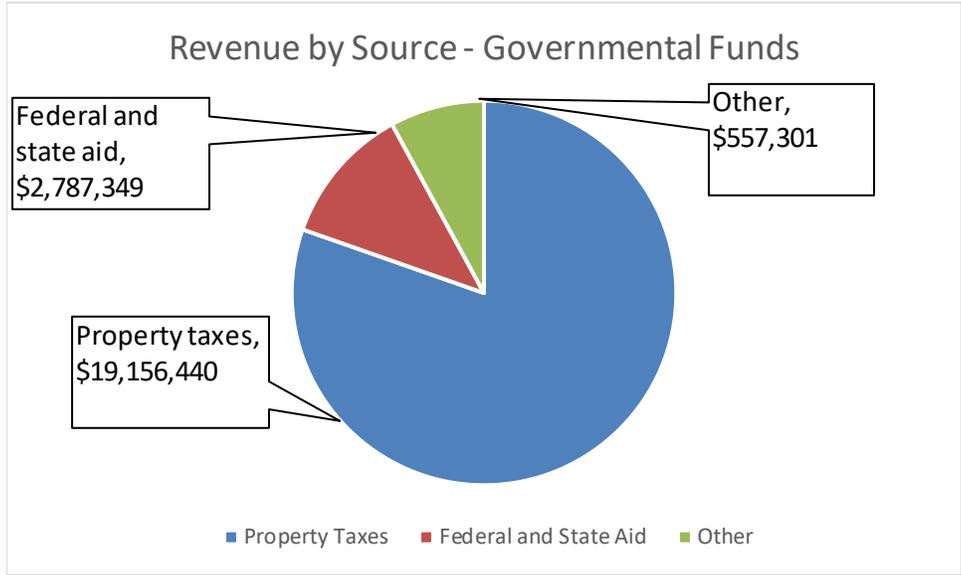
School funding regulations restrict the amount by which property taxes and general state aid, in combination, may be increased. This restriction, called the revenue limit, is intended to help hold down increases in property taxes throughout the state.

Wisconsin State Equalization Aid is paid according to a formula taking into consideration spending and property values by district, as compared to spending and property values for the state as a whole. The School District of Wisconsin Dells is a property rich district, so historically, it has received a minor portion of its revenues through general state aid.

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Chart 1 shows the portion of the District's general revenues allocated to each source.

Property Taxes	\$ 19,156,440	80.37%
Federal and State Aid	2,787,349	11.69%
Other	1,892,701	7.94%
<b>Total General Revenues</b>	<b>\$ 23,836,490</b>	<b>100.00%</b>



**Governmental Funds**

As of June 30, 2019, the District's governmental funds reported combined ending fund balance of \$31,627,589, an increase of \$23,730,037 from the prior year. The following table provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Table 3  
Governmental Funds  
Change in Fund Balance

Fund	June 30, 2018	June 30, 2019	Change	Change (%)
General	\$ 7,025,367	\$ 7,370,829	\$ 345,462	4.92%
Debt Service	415,918	2,276,184	1,860,266	447.27%
Capital Projects	-	21,368,814	21,368,814	0.00%
Other Governmental	456,267	611,762	155,495	34.08%
<b>Total</b>	<b>\$ 7,897,552</b>	<b>\$ 31,627,589</b>	<b>\$ 23,730,037</b>	<b>486.27%</b>

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Budgetary Highlights

General Fund

During the fiscal year, the School Board authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are made and officially approved each June, before the end of the fiscal year. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided on pages 48 & 49.

General Fund

- General fund revenues were less than the budget by \$206,158
- General fund expenditures were less than the budget by \$742,353

CAPITAL ASSETS

At June 30, 2019, the District had \$17,556,809 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$4,258,925, or 32.03% from last year.

Table 4  
Governmental Activities  
Capital Assets - Net of Depreciation

	Governmental Activities		Business-Type Activities		Total School District	
	2019	2018	2019	2018	2019	2018
Non-Depreciable Capital Assets	\$ 2,104,458	\$ 769,058	\$ -	\$ -	\$ 2,104,458	\$ 769,058
Construction In Process	3,051,271	-	-	-	3,051,271	-
Capital Assets Being Depreciated	26,848,791	30,393,881	244,770	244,770	27,093,561	30,638,651
Accumulated Depreciation	(14,471,815)	(17,893,898)	(220,666)	(215,927)	(14,692,481)	(18,109,825)
	<u>\$ 17,532,705</u>	<u>\$ 13,269,041</u>	<u>\$ 24,104</u>	<u>\$ 28,843</u>	<u>\$ 17,556,809</u>	<u>\$ 13,297,884</u>

During the fiscal year, the District began construction on a new high school and sports complex. More details about the District's capital assets is included in Note 4 to the financial statements.

LONG-TERM OBLIGATIONS

As of July 1, 2018, the District had total outstanding bond principal of \$835,000. During the year, the District made payments against principal of \$24,385,000 and issued debt of \$47,795,000 resulting in ending outstanding general obligation debt as of June 30, 2019, of \$24,245,000.

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Table 5  
Outstanding Long-Term Obligations

	2019	2018	% Change
General Obligation Debt	\$ 24,245,000	\$ 835,000	2804%
Vested Employee Benefits	\$ 74,000	\$ 110,650	-33%
Total Long-Term Obligations	\$ 24,319,000	\$ 945,650	2771%

More detailed information about our long-term liabilities is included in Note 5 to the financial statements.

**FACTORS BEARING ON THE DISTRICT'S FUTURE AND NEXT YEAR'S BUDGETS AND RATES**

Currently known circumstances that could impact the District's financial future are listed below:

- The state's revenue limit formula restricts growth in state general equalization aid and property taxes, which accounts for a majority of the District's operating revenues. The District is allowed to increase its revenue limit based on a per pupil adjustment determined by State Statutes utilizing average student enrollment over a three-year period. The District's three-year student average for revenue limit purposes increased by twenty-five (25) full time equivalency (FTE) for 2018-2019. The three-year average increased by twenty-four (24) FTE for 2019-2020. A study performed by Applied Population Lab at the University of Wisconsin-Madison projects that our enrollment will continue to increase over the next five years.
- The District saw a drop of twenty-eight students opting to open enroll to other districts. The number of students attending in the District through open enrollment increased by six. The number of students leaving the District exceeds the number coming into the District.
- The Board of Education and administration continue to discuss the District's short-term and long-term facility needs. The electorate of the District passed a \$33,685,000 referendum on November 6, 2018, to build a new school. As of June 30, 2019, there are approximately \$54 million in construction commitments for the project. The project will be financed with a mix of general obligation debt and contributions from local municipalities.

**SCHOOL DISTRICT OF WISCONSIN DELLS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2019**

Next Year's Budget:

The revenue budget for the 2019-2020 year is \$176,330 more than the actual revenues for 2018-2019. This represents a 0.81% increase in budgeted revenues. The expenditure budget for the 2019-2020 year is \$521,791 more than the actual expenditures for 2018-2019, or a 2.44% increase.

The comparison of revenue and expenditure categories is as follows:

Table 6

BUDGETED REVENUES

	<u>2019-2020</u>	<u>2018-2019</u>
Local	75.00%	78.73%
Other District/Intermediate	3.48%	3.14%
State	18.67%	14.64%
Federal	2.57%	2.47%
Financing/Other	0.28%	1.02%
	100.00%	100.00%

BUDGETED EXPENDITURES

	<u>2019-2020</u>	<u>2018-2019</u>
Instruction	48.50%	48.26%
Support Services	36.10%	36.14%
Non-Program Transactions	5.83%	6.70%
Fund Transfers	9.57%	8.90%
	100.00%	100.00%

CONTACTING THE DISTRICT FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Debra Michel, Business Manager at School District of Wisconsin Dells, 811 County Road H, Wisconsin Dells, WI 53956, (608)254-7769, [dmichel@sdwd.k12.wi.us](mailto:dmichel@sdwd.k12.wi.us).

**School District of Wisconsin Dells**  
**Wisconsin Dells, Wisconsin**  
**Statement of Net Position**  
**June 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current Assets:			
Cash and Investments	\$ 5,601,938	\$ 112,078	\$ 5,714,016
Restricted Cash	23,046,732	-	23,046,732
Receivables:			
Taxes	7,024,041	-	7,024,041
Accounts	658,858	1,060	659,918
Due from Other Governments	414,314	95,441	509,755
Total Current Assets	<u>36,745,883</u>	<u>208,579</u>	<u>36,954,462</u>
Noncurrent Assets:			
Land	2,104,458	-	2,104,458
Construction in Progress	3,051,271	-	3,051,271
Capital Assets Being Depreciated	26,848,791	244,770	27,093,561
Less: Accumulated depreciation	(14,471,815)	(220,666)	(14,692,481)
Net Capital Assets	<u>17,532,705</u>	<u>24,104</u>	<u>17,556,809</u>
Total Assets	<u>54,278,588</u>	<u>232,683</u>	<u>54,511,271</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows - Group Life Insurance Plan	9,332	-	9,332
Deferred Pension Outflows - District Health Insurance Plan	829,229	7,897	837,126
Deferred Pension Outflows - Wisconsin Retirement System	6,235,049	163,540	6,398,589
Total Deferred Outflows of Resources	<u>7,073,610</u>	<u>171,437</u>	<u>7,245,047</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 61,352,198</u>	<u>\$ 404,120</u>	<u>\$ 61,756,318</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 3,458,063	-	\$ 3,458,063
Accrued Liabilities:			
Payroll and Related Items	1,603,026	1,038	1,604,064
Self-funded Dental Deposits	32,435	-	32,435
Self-funded Dental Claims	16,500	-	16,500
Accrued Interest	305,918	-	305,918
Deposits Payable	8,270	9,990	18,260
Current Portion of Long-term Obligations	1,945,000	-	1,945,000
Current Portion of Capital Lease	46,629	-	46,629
Total Current Liabilities	<u>7,415,841</u>	<u>11,028</u>	<u>7,426,869</u>
Noncurrent Liabilities:			
Noncurrent Portion of Long-term Liabilities, Net	23,352,422	-	23,352,422
Noncurrent Portion of Capital Lease	72,032	-	72,032
Compensated Absences	74,000	-	74,000
Net Pension Liability	2,398,994	62,924	2,461,918
OPEB Liability - Group Life Insurance Plan	68,330	-	68,330
OPEB Liability - District Health Insurance Plan	5,477,076	52,163	5,529,239
Total Noncurrent Liabilities	<u>31,442,854</u>	<u>115,087</u>	<u>31,557,941</u>
Total Liabilities	<u>38,858,695</u>	<u>126,115</u>	<u>38,984,810</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows - Group Life Insurance Plan	21,069	-	21,069
Deferred Pension Inflows - District Health Insurance Plan	528,456	5,033	533,489
Deferred Pension Inflows - Wisconsin Retirement System	3,303,632	86,652	3,390,284
Total Deferred Inflows of Resources	<u>3,853,157</u>	<u>91,685</u>	<u>3,944,842</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,485,437	24,104	13,509,541
Restricted:			
Debt Service	1,970,266	-	1,970,266
Common School Fund	3,543	-	3,543
Self-funded Insurance	180,607	-	180,607
Capital Improvements	306,043	-	306,043
Other Funds	305,723	-	305,723
Food Service	-	162,216	162,216
Unrestricted	2,388,727	-	2,388,727
Total Net Position	<u>18,640,346</u>	<u>186,320</u>	<u>18,826,666</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 61,352,198</u>	<u>\$ 404,120</u>	<u>\$ 61,756,318</u>

See accompanying notes to the financial statements.

School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin

Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities						
Instruction:						
Regular Instruction	\$ 10,408,279	\$ 30,340	\$ 1,085,732	\$ (9,292,207)		\$ (9,292,207)
Special Education Instruction	2,396,024	-	1,108,800	(1,287,224)		(1,287,224)
Vocational Instruction	506,248	1,092	23,605	(481,551)		(481,551)
Other Instruction	1,431,153	59,087	17,249	(1,354,817)		(1,354,817)
Support Services:						
Pupil Services	797,802	-	-	(797,802)		(797,802)
Instructional Staff Services	1,518,297	-	163,534	(1,354,763)		(1,354,763)
General Administration Services	459,701	-	-	(459,701)		(459,701)
Building Administration Services	1,169,571	-	-	(1,169,571)		(1,169,571)
Business Services	315,245	-	-	(315,245)		(315,245)
Operations and Maintenance of Plant	2,002,936	-	146,073	(1,856,863)		(1,856,863)
Pupil Transportation	1,176,179	-	78,692	(1,097,487)		(1,097,487)
Central Services	64,640	-	-	(64,640)		(64,640)
Insurance	233,991	-	-	(233,991)		(233,991)
Other Support Services	495,609	-	-	(495,609)		(495,609)
Interest and Fiscal Charges	997,985	-	-	(997,985)		(997,985)
Depreciation - Unallocated	506,066	-	-	(506,066)		(506,066)
Total Governmental Activities	24,479,726	90,519	2,623,685	(21,765,522)		(21,765,522)
Business-type Activities						
Food service program	839,823	254,810	607,642	-	22,629	22,629
Total business-type activities	839,823	254,810	607,642	-	22,629	22,629
Total primary government	\$ 25,319,549	\$ 345,329	\$ 3,231,327	(21,765,522)	22,629	(21,742,893)
<b>General revenues:</b>						
Taxes:						
Property taxes, levied for general purposes				16,978,705	-	16,978,705
Property taxes, levied for debt service				2,177,735	-	2,177,735
Federal and State Aid not restricted to specific purpose				2,787,349	-	2,787,349
Interest and Investment Earnings				398,091	-	398,091
Contributions				1,335,400	-	1,335,400
Miscellaneous				159,210	-	159,210
Total General Revenues				23,836,490	-	23,836,490
Special item- gain (loss) on disposal				(65,910)	-	(65,910)
Change in Net Position				2,005,058	22,629	2,027,687
Net Position - beginning, as previously reported				16,519,810	211,968	16,731,778
Prior Period Adjustment - OPEB Benefit Allocation				48,277	(48,277)	-
Prior Period Adjustment - Correct Capital Asset Values				67,201	-	67,201
Net Position - Beginning as Restated				16,635,288	163,691	16,798,979
Net Position - Ending				\$ 18,640,346	\$ 186,320	\$ 35,625,645

See accompanying notes to the financial statements.

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Balance Sheet  
Governmental Funds  
June 30, 2019**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Referendum Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Investments	\$ 2,713,948	\$ 23,046,732	\$ 2,276,184	\$ 611,806	\$ 28,648,670
Receivables:					
Taxes	7,024,041	-	-	-	7,024,041
Accounts	37,835	-	-	-	37,835
Due from Other Funds	624,773	-	-	-	624,773
Due from Other Governments	414,314	-	-	-	414,314
<b>Total Assets</b>	<u>\$ 10,814,911</u>	<u>\$ 23,046,732</u>	<u>\$ 2,276,184</u>	<u>\$ 611,806</u>	<u>\$ 36,749,633</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 1,129,819	\$ 1,674,168	\$ -	\$ -	\$ 2,803,987
Accrued Liabilities	1,583,629	-	-	44	1,583,673
Self-fund dental benefits deposits	32,435	-	-	-	32,435
Dental benefit claims payable	16,500	-	-	-	16,500
Deposits payable	27,623	-	-	-	27,623
Due to other funds	654,076	3,750	-	-	657,826
<b>Total Liabilities</b>	<u>3,444,082</u>	<u>1,677,918</u>	<u>-</u>	<u>44</u>	<u>5,122,044</u>
<b>FUND BALANCES</b>					
Restricted	184,154	21,368,814	2,276,184	611,762	24,440,914
Committed	72,114	-	-	-	72,114
Assigned	928,663	-	-	-	928,663
Unassigned	6,185,898	-	-	-	6,185,898
<b>Total Fund Balances</b>	<u>7,370,829</u>	<u>21,368,814</u>	<u>2,276,184</u>	<u>611,762</u>	<u>31,627,589</u>
<b>Total Liabilities and     Fund Balances</b>	<u>\$ 10,814,911</u>	<u>\$ 23,046,732</u>	<u>\$ 2,276,184</u>	<u>\$ 611,806</u>	<u>\$ 36,749,633</u>

See accompanying notes to the financial statements.

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2019**

Total fund balance, governmental funds	\$	31,627,589
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		17,532,705
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The net pension asset (liability) and net OPEB liabilities are not current financial resources and are, therefore, not reported in the fund statements, but are reported in the governmental activities of the Statement of Net Position.		
Net Pension Liability		(2,398,994)
OPEB liability - group life insurance plan		(68,330)
OPEB liability - district health insurance plan		(5,477,076)

Pension and other benefits deferred outflows of resources and deferred inflows of resources are actuarially determined by the defined benefit pension plan and OPEB plans. These items are reflected in the Statement of Net Position and are being amortized with pension expense in the Statement of Activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore are not reported in the fund statements.		
Deferred outflows of resources		7,073,610
Deferred inflows of resources		(3,853,157)

Some liabilities, (such as Notes Payable and Long-term Compensated Absences), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		
General obligation debt		(24,245,000)
Obligations under capital leases		(118,661)
Accrued interest on long-term debt		(305,918)
Compensated absences		(74,000)
Premium on long-term debt		(1,052,422)

Net Position of Governmental Activities in the Statement of Net Position	\$	<u>18,640,346</u>
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See accompanying notes to the financial statements.

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2019**

	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Referendum Debt Service Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Local	\$ 17,110,544	\$ 282,498	\$ 2,231,318	\$ 72,236	\$ 19,696,596
Interdistrict	644,716	-	-	-	644,716
Intermediate	76,847	-	-	-	76,847
State	3,695,065	-	-	-	3,695,065
Federal	999,078	-	-	11,694	1,010,772
Other	57,037	-	43,594	-	100,631
<b>Total Revenues</b>	<b>22,583,287</b>	<b>282,498</b>	<b>2,274,912</b>	<b>83,930</b>	<b>25,224,627</b>
<b>EXPENDITURES</b>					
Instruction:					
Regular Instruction	9,890,404	-	-	16,575	9,906,979
Special Education Instruction	2,263,117	-	-	-	2,263,117
Vocational Instruction	489,993	-	-	-	489,993
Other Instruction	1,353,919	-	-	6,654	1,360,573
Support Services:					
Pupil Services	749,163	-	-	-	749,163
Instructional Staff Services	1,459,344	-	-	-	1,459,344
General Administration Services	442,469	-	-	-	442,469
Building Administration Services	1,097,682	-	-	-	1,097,682
Business Services	302,607	-	-	-	302,607
Operation and Maintenance of Plant	2,382,376	3,051,271	-	-	5,433,647
Pupil Transportation	1,096,578	-	-	5,206	1,101,784
Central Services	52,118	-	-	-	52,118
Insurance	186,578	47,413	-	-	233,991
Other Support Services	470,807	-	-	-	470,807
Adjustments and Refunds	19,331	-	-	-	19,331
Debt Service:					
Principal Repayment	46,629	-	200,000	-	246,629
Interest Expense	-	-	692,067	-	692,067
<b>Total Expenditures</b>	<b>22,303,115</b>	<b>3,098,684</b>	<b>892,067</b>	<b>28,435</b>	<b>26,322,301</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>280,172</b>	<b>(2,816,186)</b>	<b>1,382,845</b>	<b>55,495</b>	<b>(1,097,674)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	100,000	100,000
Transfers Out	(100,000)	-	-	-	(100,000)
Proceeds from Capital Lease	165,290	-	-	-	165,290
Proceeds from Long-Term Debt	-	24,185,000	24,662,421	-	48,847,421
Refunding of Debt	-	-	(24,185,000)	-	(24,185,000)
<b>Total Other Financing Sources (Uses)</b>	<b>65,290</b>	<b>24,185,000</b>	<b>477,421</b>	<b>100,000</b>	<b>24,827,711</b>
<b>Net Change in Fund Balances</b>	<b>345,462</b>	<b>21,368,814</b>	<b>1,860,266</b>	<b>155,495</b>	<b>23,730,037</b>
Fund Balances - Beginning	7,025,367	-	415,918	456,267	7,897,552
Fund Balances - Ending	<b>\$ 7,370,829</b>	<b>\$21,368,814</b>	<b>\$ 2,276,184</b>	<b>\$ 611,762</b>	<b>\$ 31,627,589</b>

See accompanying notes to the financial statements.

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended June 30, 2019**

Net change in fund balances - total governmental funds: \$ 23,730,037

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

This is the amount by which capital outlays (\$5,235,936) exceeded depreciation (\$964,232) in the current period. 4,271,704

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: 200,000  
 The amount of capital lease principal payments in the current year is: 46,629  
 The amount of long-term debt refunded is: 24,185,000

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.

Proceeds from the issuance of long-term bonds: (47,795,000)  
 Proceeds from capital lease incurred in the current year is: (165,290)

Governmental funds report the effect of premiums when debt is first issued. However, the premium on long-term debt is shown as a liability in the Statement of Net Position and is amortized. (1,052,421)

Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the Statement on Activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.

Amount of current year required contributions into the defined benefit pension plan 691,595  
 Actuarially determined change in net pension asset/liability between years, with adjustments (1,625,193)

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.

Net other post-employment benefits obligation expense (137,493)  
 Compensated absences 36,650

Some expenses reported in the Statement of Activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Accrued interest not reflected on Governmental funds (305,918)  
 Loss on disposal of capital assets (75,241)

Change in net position of governmental activities \$ 2,005,058

See accompanying notes to the financial statements.

**School District of Wisconsin Dells  
Statement of Net Position  
Proprietary Funds  
June 30, 2019**

	<b>Food Service</b>
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 112,078
Due from Other Funds	1,060
Due from Other Governments	95,441
Total Current Assets	208,579
Noncurrent Assets:	
Furniture and Equipment	244,770
Less Accumulated Depreciation	(220,666)
Net Capital Assets	24,104
Total Noncurrent Assets	24,104
Total Assets	232,683
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Pension Outflows	163,540
Deferred OPEB Outflows	7,897
Total Deferred Outflows of Resources	171,437
Total Assets and Deferred Outflows of Resources	\$ 404,120
<b>LIABILITIES</b>	
Current Liabilities:	
Payroll, Payroll Taxes, Insurance	\$ 1,038
Deposit Payable	9,990
Total Current Liabilities	11,028
Noncurrent Liabilities:	
Net Pension Liability	62,924
Net OPEB Liability	52,163
Total Noncurrent Liabilities	115,087
Total Liabilities	126,115
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Pension Inflows	86,652
Deferred OPEB Inflows	5,033
Total Deferred Inflows of Resources	91,685
<b>NET POSITION</b>	
Net Investment in Capital Assets	24,104
Restricted for Food Service	162,216
Total Net Position	186,320
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 404,120

See accompanying notes to the financial statements

School District of Wisconsin Dells

Statement of Revenues, Expenditures and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2019

	<u>Food Service</u>
<b>OPERATING REVENUES</b>	
Food Sales	\$ 254,810
State Sources	16,626
Federal Sources	590,252
Miscellaneous Income	764
Total Operating Revenues	<u>862,452</u>
<b>OPERATING EXPENSES</b>	
Food and Materials	<u>839,823</u>
Total Operating Expenses	<u>839,823</u>
Operating Income (Loss)	<u>22,629</u>
Change in Net Position	<u>22,629</u>
Net Position - beginning, as previously reported	211,968
Prior Period Adjustment - Health OPEB Benefit Allocation	<u>(48,277)</u>
Net Position - Beginning as Restated	<u>163,691</u>
Net Position - Ending	<u>\$ 186,320</u>

See accompanying notes to the financial statements

**School District of Wisconsin Dells  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2019**

	<u>Food Service</u>
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 257,662
Cash received from other governmental payments	511,519
Cash payments to employees for services	7,734
Cash payments to suppliers for goods and services	(839,823)
Net cash provided (used) by operating activities	<u>(62,908)</u>
Net increase (decrease) in cash and cash equivalents	(62,908)
Cash and equivalents- beginning of year	<u>174,986</u>
Cash and equivalents- end of year	<u><u>\$ 112,078</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 22,629
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,201
Changes in assets and liabilities:	
Due to (from) other governments	(95,359)
Accounts receivable	645
Payroll, payroll taxes, insurance	(137)
Accrued expenses	(18,587)
Pension expense	24,234
OPEB Expense	1,023
Unearned revenue	1,443
Accrued liabilities	
Net cash provided (used) by operating activities	<u><u>\$ (62,908)</u></u>

See accompanying notes to the financial statements

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019**

	<b>Private Benefit Trust Fund</b>	<b>Postemployment Employee Benefit Trust Funds</b>	<b>Agency Fund</b>	<b>Total Fiduciary</b>
<b>ASSETS</b>				
Cash and Investments	\$ 32,292	\$ 2,194,015	\$ 231,724	\$ 2,458,031
Due from Other Funds	-	654,076	-	654,076
<b>Total Assets</b>	<u>\$ 32,292</u>	<u>\$ 2,848,091</u>	<u>\$ 231,724</u>	<u>\$ 3,112,107</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ 622,083	\$ -	\$ 622,083
Due to Student Organizations	-	-	231,724	231,724
<b>Total Liabilities</b>	<u>-</u>	<u>622,083</u>	<u>\$ 231,724</u>	<u>853,807</u>
<b>NET POSITION</b>				
Restricted for Scholarships	32,292	-		32,292
Restricted for Post Employment Benefits	-	2,226,008		2,226,008
<b>Total Liabilities and Net Position</b>	<u>\$ 32,292</u>	<u>\$ 2,848,091</u>		<u>\$ 3,112,107</u>

See accompanying notes to the financial Statements.

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2019**

	<b>Private Benefit Trust Fund</b>	<b>Postemployment Employee Benefit Trust Funds</b>
<b>ADDITIONS</b>		
Employer contributions	\$ -	\$ 575,294
Retiree contributions	-	78,782
Private donations	10,500	-
Interest & dividend income	239	33,291
<b>Total additions</b>	<b>\$ 10,739</b>	<b>\$ 687,367</b>
<b>DEDUCTIONS</b>		
Trust Fund Disbursements	7,000	622,083
<b>Total deductions</b>	<b>7,000</b>	<b>622,083</b>
<b>Change in net position</b>	<b>3,739</b>	<b>65,284</b>
Net position - beginning	28,553	2,160,724
Net position - ending	<b>\$ 32,292</b>	<b>\$ 2,226,008</b>

See accompanying notes to the financial statements.

**School District of Wisconsin Dells**  
**Notes to Financial Statements**  
**For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies**

**A. Introduction**

The School District of Wisconsin Dells (the “District”) is organized as a common school district. The District, governed by a seven-member elected school board, operates grades Kindergarten through 12 and is comprised of all or parts of fifteen taxing districts. As required by accounting principles generally accepted in the United States of America, these financial statements present the District as the primary government.

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

**B. Component Units**

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

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. The financial reporting entity consists of (a) organization 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.

**C. District-Wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the District’s governmental and business-type activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and each function of the District’s governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**D. Fund Financial Statements**

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

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

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

- a. Total assets and deferred outflows, liabilities and deferred inflows, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows, liabilities and deferred inflows, revenues or expenditures of the individual governmental fund are at least 5 percent of the corresponding total for all 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 those funds through which most governmental functions are typically financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The District has presented 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. This includes the General Fund (Fund 10) and the Special Education Fund (Fund 27), which accounts for activities associated with providing educational programs for students with disabilities. Excess expenditures in Fund 27 are financed with a transfer from Fund 10.

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

**Capital Projects Fund** – This fund accounts for the resources restricted for the acquisition or construction of specific capital projects or items.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

**D. Fund Financial Statements (Continued)**

The District also has the following non-major funds:

- Special Revenue Trust Fund
- Community Service Fund
- Title VII Native American Fund
- Capital Improvements Fund

**Proprietary Funds**

**Food Service Fund** - This fund accounts for the activities of the District's food service, generally school hot lunch program.

**Fiduciary Funds (Not included in District-Wide Statements)**

**Agency Fund** – An Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations, and/or other governmental units. The District accounts for its Student Activity Fund as an agency fund.

**Post-Employment Benefit Trust Fund** – This is a separate accounting fund for reporting resources set aside and held in a trust arrangement for post-employment benefits.

**Private-Purpose Trust Fund** - The District accounts for assets held that were accumulated from donations that are used to pay scholarships in the Private-Purpose Trust Funds.

**E. Measurement Focus and Basis of Accounting**

The district-wide, proprietary, and fiduciary fund financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized at the time the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Deferred outflows of resources represent a consumption of resources that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of resources that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

**E. 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. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting. Under the modified accrual basis of accounting, 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 when paid. Interest cost on temporary borrowing is recognized as an expenditure of the fiscal period incurred. 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.

Property taxes are recognized as revenue in the period for which the taxes are levied if they are due in the current year and available to pay current liabilities. The 2018 tax levy is used to finance operations of the District's fiscal year ended June 30, 2019. 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.

State general and categorical aids, federal impact aid, and other entitlements are recognized as revenue at the time of receipt, or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred inflows.

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

Reports for the District's Food Service Fund are prepared following the Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or after November 30, 1989; Accounting Principles Board Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with Governmental Accounting Standards Board (GASB) pronouncements.

Interest income on temporary investments is recognized in the fiscal period earned.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

**F. Cash and Investments**

The District's cash and equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. All funds share common (pooled) checking and investing accounts unless regulations require separate investment accounts. The Debt Service Fund and Capital Projects Fund account for their transactions through separate and distinct bank and investment accounts. In addition, trust and agency funds use separate and distinct accounts.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Fair value of investments in the Local Government Investment Pool (LGIP) is based on information provided by the State of Wisconsin Investment Board.

See footnote 3 for additional information.

**G. Receivables and Payables**

**Taxes**

The aggregate District tax levy is apportioned and certified in November of the current fiscal year for collection to the 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 two or more installments with the first installment payable the subsequent January 31, and the final payment no later than the following July 31. On or before January 15, and by the 20 of each subsequent month thereafter, the District is 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.

**Interfunds**

The current portion of lending/borrowing arrangements between funds is identified as "due to/from other funds." The noncurrent portion of outstanding balances between funds is reported as "advances to/from other funds." Advances between funds are offset by a non-spendable fund balance account to indicate that they are not available for appropriation and are not expendable available financial resources. Eliminations have been made for amounts due to and due from within the same fund type. See Note 5 for a detailed description of the interfund balances as of June 30, 2019.

**Accounts Receivable**

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

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

**H. Other Assets**

Expendable supplies or noncapital items acquired for initial use in subsequent fiscal periods are recorded as inventories and/or prepaid expenses. Prepaid insurance or service contracts are not recorded unless their recognition as an expenditure would result in more than one year's cost being recorded. Inventory and prepaid supplies are valued at the lower of cost (first-in, first-out method) or market. Inventory consists of expendable supplies held for consumption. Costs are recorded as expenditures at the time individual inventory items are consumed.

**I. Capital Assets**

Capital assets are reported at actual cost for acquisition subsequent to June 30, 2004. For assets acquired prior to June 30, 2004, estimated historical costs and actual costs, based on appraisals conducted by an independent third-party professional appraisal firm, are used. Donated assets are reported at estimated acquisition value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 5,000	Straight-line	50 years
Site improvements	5,000	Straight-line	20 years
Furniture and equipment	5,000	Straight-line	5-20 years
Computer and related hardware	5000	Straight-line	5 years
Software	5000	Straight-line	10-15 years
Library books	5000	Straight-line	10 years
Textbooks	5000	Straight-line	10 years

**J. Other Obligations**

**Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for benefits through paid time off or some other means. The District employees are granted vacation in varying amounts, based on length of service. Vacation leave earned in the preceding year must be used within one year of the employee's anniversary date. They may carry over to the following year up to two weeks of their annual vacation or receive a cash payout for up to two weeks.

The District's policy allows employees to earn varying amounts of sick pay for each year employed, accumulating to a maximum vested amount of 200 days for teachers, 120 days for full-time support staff, and no maximum for administrators, supervisors and non-represented support staff. Upon retirement or termination of employment, the employee is entitled to a per qualifying day payout, based upon the appropriate labor agreement.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

The entire compensated absences liability is reported on the government-wide financial statements. For governmental fund financial statements, the unpaid compensated absences are not expected to be paid using expendable available resources and, therefore, the liability is not reported.

Retirement Plans - District employees participate in the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenditures when paid.

**Postemployment Benefits**

As provided in applicable District policies, certified district employees meeting a minimum age and length of service requirement may participate in the District's group health, dental and/or life insurance program until Medicare eligibility is obtained. Qualified clerical and classified staff receives up to four years or until Medical eligibility, whichever is earlier of health and dental benefits. The District bears the cost of the employee's participation up to 87.4% of the amount it pays for instructional employees, for the first four years and then the maximum contribution by the District for the remaining years until the retiree is eligible for Medicare, whichever comes first. The unfunded benefit liability is reported on the government-wide financial statements.

**K. Estimates**

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

**L. Pensions**

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

**M. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The District has two items that qualify for reporting in this category. The deferred outflows of resources are for the WRS pension system and OPEB plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The District has one item that qualifies for reporting in this category. The deferred inflows of resources are related to the WRS pension system and OPEB plans.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

**N. Net Position**

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

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

**O. Fund Balance**

The School District of Wisconsin Dells reports under provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

**Non-spendable** – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.

**Restricted** – resources with constraints placed on the use of resources are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – resources which are subject to limitation the government imposes upon itself at its highest level of decision making, and that remain binding unless removed in the same manner.

**Assigned** – resources neither restricted nor committed for which a government has a stated intended use as established by the Board of Education or a body or official of which the Board of Education has delegated the authority to assign amounts for specific purposes.

**Unassigned** – resources which cannot be properly classified in one of the other four categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

When restricted and other fund balance resources are available for use, it is the District's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**1. Summary of Significant Accounting Policies (Continued)**

**O. Fund Balance (Continued)**

Fund balance amounts are reported in conformance with generally accepted accounting principles and shall be reclassified not less than the end of each fiscal year for general purpose financial statements. The District will report inventories, prepaid expenses, long-term receivables, and amounts legally or contractually required to be maintained intact as non-spendable. The fund balance for the spendable portion of permanent funds and balance, if any, in the special revenue trust fund, debt service funds, food service funds, postemployment benefit trust fund, SAGE funds, and other fund established by regulatory authority will be classified as restricted.

The School Board may commit additional amounts of fund balance to a specific purpose. Such action shall be taken in open meeting and require approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by a majority vote of the Board.

The Board may authorize and direct an individual to assign fund balances for specific purposes; to the extent such an assignment does not create a negative unassigned fund balance. The Board has designated the District Administrator and/or designee to assign funds.

**2. Explanation of Certain Differences between Governmental Fund Statements and District-wide Statements**

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

**Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities**

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of four broad categories:

1. Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the Statement of Activities. The long-term expenses reported below recognize the change in vested employee benefits.
2. Capital related differences include (1) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) depreciation expense on those items as recorded in the Statement of Activities.
3. Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest expense is recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**3. Cash and Investments**

Investment of District funds is restricted by State Statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin.
2. 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, a local professional baseball park district, a local professional football stadium district, local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
3. Bonds or securities issued or guaranteed by the federal government.
4. The Local Government Investment Pool (LGIP).
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

The carrying amount of the District's cash and investments totaled \$31,218,779 on June 30, 2019 and is summarized below:

Depository:	Carrying Amount	Fair Value	Associated Risk
Deposits with financial institutions	\$ 2,310,393	\$ 2,542,953	Custodial credit risk
Petty cash funds	142	142	Not applicable
Mid America Trust	2,194,015	2,194,015	Credit risk, interest rate risk
Investments:			
WISC Financial Investments:			
WISC Savings Deposit	20,194,406	20,194,406	Custodial credit risk
WISC Financial CDs	1,700,300	1,700,300	Custodial credit risk, interest rate risk
WISC Money Market	1,187,455	1,187,455	Credit risk, interest rate risk
Local Government Investment Pool	3,632,068	3,632,068	Credit risk, interest rate risk
	<u>\$ 31,218,779</u>	<u>\$ 31,451,339</u>	

**Reconciliation to the basic financial statements:**

District-Wide Statement of Net Position:	
Cash and investments	\$ 5,714,016
Restricted cash and investments for:	
Capital projects	23,046,732
Fiduciary funds:	
Employee Benefit Trust Fund	2,194,015
Private-Purpose Trust Fund	32,292
Agency Fund	231,724
	<u>\$ 31,218,779</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**3. Cash and Investments (Continued)**

Deposits and investments of the District are subject to various risks. Following is a discussion of the specific risks and the District's policy related to the risk.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure the District's deposits may not be returned to it. The District evaluates custodial credit risk through periodic monitoring of the financial condition of financial institutions where deposits are held. Formal written custodial risk policies have not been adopted by the District. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings deposit accounts and \$250,000 for demand deposit accounts. Deposits with financial institutions and the LGIP are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations. This coverage has not been considered in computing amount subject to custodial credit risk.

As of June 30, 2019, \$1,281,221 of the District's deposits with financial institutions totaling \$4,724,135 was exposed to custodial risk beyond the FDIC coverage described above. Of the amount exposed to custodial credit risk, all deposits are collateralized by securities with a fair value of \$3,257,412. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Wisconsin State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years. As of June 30, 2019, the LGIP had an average maturity of 16 days.

<b>Investment Type</b>	<b>Investment Maturities</b>				
	<b>Fair Value</b>	<b>Less Than 6 Months</b>	<b>6 Months to 1 Year</b>	<b>1 Year to 3 Years</b>	<b>More Than 3 Years</b>
Nonnegotiable Certificates of Deposit	\$ 1,700,300	\$ 1,700,300	\$ -	\$ -	\$ -
Local Government Investment Pool	3,632,068	3,632,068	-	-	-
Employee Benefit Trust Investments	2,194,015	-	-	-	2,194,015
WISC Money Market	1,187,455	1,187,455	-	-	-
Total	\$ 8,713,838	\$ 6,519,823	\$ -	\$ -	\$ 2,194,015

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**3. Cash and Investments (Continued)**

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin Statute limits investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations.

<u>Investment</u>	<u>Rating</u>	<u>Fair Value</u>
WISC Money Market	S&P - AAAM	\$ 1,187,455
Local Investment Pool	Unrated	3,632,068
Total		<u>\$ 4,819,523</u>

The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The investment in the LGIP was not rated as of June 30, 2019. The SIF reports the fair value of its underlying assets annually. All investments are valued at amortized cost by the SIF for purposes of calculating earnings to each participant. Specifically, the SIF distributes income to pool participants monthly, based on their average daily share balance. Distributions include interest income based on stated rates (both paid and accrued), amortization of discounts and premiums on a straight-line basis, realized investment gains and losses calculated on an amortized cost basis, and investment expenses. This method does not distribute to participants any unrealized gains or losses generated by the pool's investments. Detailed information about the SIF is available in separately issued financial statements available at <http://www.doa.state.wi.us/Divisions/Budget-and-Finance/LGIP>.

Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2019, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported above. Information on derivatives was not available to the District.

SWIB may invest in obligations of the U.S. Treasury and its agencies, Commercial Paper, Bank Time Deposits/Certificates of Deposit, Bankers' Acceptances, Asset Backed Securities and Repurchase Agreements secured by the U.S. Government or its agencies and other instruments authorized under State Investment Fund investment guidelines.

Investment allocation in the LGIP as of June 30, 2019 was: 94.82% in U.S. Government Securities, 1.46% in Certificates of Deposit and Bankers' Acceptances and 3.72% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

The District has established an Employee Benefit Trust Fund to pay retirees Postemployment benefits. This trust currently has invested in fixed interest annuities that have a Standard & Poor's rating of AA-. Investment allocation in the Mid America Trust as of June 30, 2019 was: 54% in Corporate Bonds, 22% in Mortgage and Asset-backed Securities, 16% in Direct Commercial Mortgages, and 8% in Other.

Concentration of Credit Risk – The investment policy of the District contains no limitations on the amount that can be invested in any one issuer. The District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**4. Fair Value Measurement**

Financial assets required to be measured on a recurring basis are classified under a three-tier hierarchy for fair value investments. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurements date.

The District uses the following hierarchical disclosure framework:

Level 1 – Measurement based upon quoted prices for identical assets in an active market as of the reporting date.

Level 2 – Measurement based upon marketplace inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Measurement based on the District’s assumptions about a hypothetical marketplace because observable market inputs are not available as of the reporting date.

The District uses appropriate valuation techniques based on the available inputs to measure the fair values of its assets and liabilities. When available, the District measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs have the lowest priority.

	<u>Assets at Fair Value as of June 30, 2019</u>	
	<u>Fair Value</u>	<u>Level 1</u>
Fixed Annuity Trusts	<u>\$ 2,194,015</u>	<u>\$2,194,015</u>
Totals	<u><u>\$ 2,194,015</u></u>	<u><u>\$2,194,015</u></u>

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**5. Interfund Activity**

**Due to/Due from Other Funds**

Individual fund interfund receivable and payable balances on June 30, 2019 are as follows:

Due To	Amount	Due From
General Fund	\$ 3,750	Capital Projects
General Fund	621,023	Postemployment Employee Benefit Trust Fund
Food Service Fund	1,060	Postemployment Employee Benefit Trust Fund
Postemployment Employee Benefit Trust Fund	654,076	General Fund
Subtotal General Fund	1,279,909	
Totals - Fund Financial Statements	1,279,909	
Less: Fund Eliminations and Reclassifications	(1,279,909)	
Total Government-Wide Statement of Net Position	\$ -	

The purpose of the amount owed to the General Fund from Capital Projects is for repayment of construction costs paid by the General Fund. The purpose of the amounts owed to the General Fund and Food Service Fund are for the implicit rate subsidy payback. The purpose of the amount owed to the Postemployment Employee Benefit Trust Fund is the District's Contribution to the Trust.

**Transfers**

The District had the following interfund transfers:

Transfers:

Purpose	Receivable Fund	Payable Fund	Amount
Future capital improvements	Capital projects	General	\$ 100,000
			\$ 100,000

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**6. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Balance as Restated 7/1/2018	Additions	Retirements	Adjustments	Balance 6/30/2019
<b>Governmental Activities</b>					
Non-Depreciable Capital Assets:					
Land	\$ 769,058	\$ 1,335,400	\$ -	\$ -	\$ 2,104,458
Construction in Progress	-	3,051,271	-	-	3,051,271
Total Non-Depreciable Capital	<u>769,058</u>	<u>4,386,671</u>	<u>-</u>	<u>-</u>	<u>5,155,729</u>
Capital Assets Being Depreciated					
Land Improvements	1,240,516	-	-	38,725	1,279,241
Buildings and Building Impro	20,371,678	582,325	-	11,614	20,965,617
Furniture and Equipment	3,369,594	46,974	(1,149,520)	(50,339)	2,216,709
Vehicles	2,318,354	219,966	(151,096)	-	2,387,224
Total Capital Assets Being Dep	<u>27,300,142</u>	<u>849,265</u>	<u>(1,300,616)</u>	<u>-</u>	<u>26,848,791</u>
Less Accumulated Depreciation					
Land Improvements	(816,691)	(44,737)	-	(14,201)	(875,629)
Buildings and Building Impro	(9,999,859)	(453,124)	-	4,649	(10,448,334)
Furniture and Equipment	(2,568,591)	(244,293)	1,074,280	9,552	(1,729,052)
Vehicles	(1,347,818)	(222,078)	151,096	-	(1,418,800)
Total Accumulated Depreciation	<u>(14,732,959)</u>	<u>(964,232)</u>	<u>1,225,376</u>	<u>-</u>	<u>(14,471,815)</u>
Depreciated, Net of Depreciation	<u>12,567,183</u>	<u>(114,967)</u>	<u>(75,240)</u>	<u>-</u>	<u>12,376,976</u>
Total Capital Assets Net of Dep	<u>\$ 13,336,241</u>	<u>\$ 4,271,704</u>	<u>\$ (75,240)</u>	<u>\$ -</u>	<u>\$ 17,532,705</u>
<b>Business type activities</b>					
Capital Assets Being Depreciated					
Furniture and Equipment	\$ 244,770	\$ -	\$ -	\$ -	\$ 244,770
Total Capital Assets Being Dep	<u>244,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>244,770</u>
Less Accumulated Depreciation					
Furniture and Equipment	(219,465)	(1,201)	-	-	(220,666)
Total Accumulated Depreciation	<u>(219,465)</u>	<u>(1,201)</u>	<u>-</u>	<u>-</u>	<u>(220,666)</u>
Total Capital Assets Net of Dep	<u>\$ 25,305</u>	<u>\$ (1,201)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,104</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**6. Capital Assets (Continued)**

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 14,920
Vocational Instruction	2,566
Special Education Instruction	395
Other Instruction	5,786
School Building Administration	694
Operations and Maintenance of Plant	193,187
Pupil Transportation Service	228,110
Central Services	12,509
Depreciation not charged to a specific function	506,065
	<u>\$964,232</u>

**7. Long-term Obligations**

Long-term obligations of the District are as follows:

	Balance 7/1/2018	Issued	Retired	Balance 6/30/2019	Amount Due Within One Year
G.O. Bonds	\$ 835,000	\$23,610,000	\$ 200,000	\$ 24,245,000	\$ 1,945,000
Bond Anticipation Note	-	24,185,000	24,185,000	-	-
Premium on debt	-	1,052,421	-	1,052,421	-
Subtotal G.O. Debt	835,000	48,847,421	24,385,000	25,297,421	1,945,000
Capital Leases	-	165,290	46,629	118,661	41,324
Compensated absences	110,650	-	36,650	74,000	-
Total Long-Term Obligations	\$ 945,650	\$49,012,712	\$24,468,279	\$ 25,490,083	\$ 1,986,324

Payments on bonds and variable rate notes are made by the Debt Service Fund. Payments on capital leases are made by the General Fund. Vested employee benefits will be liquidated by several of the governmental funds.

The District does not currently have any long-term liabilities for business-type activities.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**7. Long-term Obligations (Continued)**

**General Obligation Debt**

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General obligation debt at June 30, 2019 is comprised of the following individual issues:

Description	Issue Dates	Interest Rate %	Dates of Maturity	Balance	Amount Due Within One Year
Qualified School Construction Bonds	9/7/2010	4.50%	3/1/2022	\$ 635,000	\$ 205,000
General Obligation Refunding Bonds	3/4/2019	3.00-5.00%	3/1/2035	14,270,000	1,500,000
General Obligation Refunding Bonds, Series 2019B	3/18/2019	3.25-4.00%	3/1/2039	9,340,000	240,000
Total General Obligation Debt				<u>\$24,245,000</u>	<u>\$ 1,945,000</u>

The legal debt limit and margin of indebtedness as of June 30, 2019, in accordance with §67.03(1)(b) of the Wisconsin statutes follows:

Debt Limit (10% of \$2,863,111,847)	\$ 286,311,185
Deduct long-term debt applicable to debt margin	<u>24,245,000</u>
Margin of indebtedness	<u>\$ 262,066,185</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2019 are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 1,945,000	896,399	\$ 2,841,399
2021	205,000	875,044	1,080,044
2022	225,000	875,044	1,100,044
2023	-	828,469	828,469
2024	-	828,469	828,469
2025-2029	2,765,000	4,080,594	6,845,594
2030-2034	8,530,000	2,918,931	11,448,931
2035-2039	10,575,000	1,163,863	11,738,863
Totals	<u>\$ 24,245,000</u>	<u>\$12,466,813</u>	<u>\$ 36,711,813</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**7. Long-term Obligations (Continued)**

**Capital Lease**

The District incurred two capital leases in 2018 for the purchase of computer equipment. Assets purchased under the capital lease totaled \$165,290, which is included in capital assets, and is to be repaid in annual installments through July of 2022.

The following is a schedule by years of future minimum lease payments under capital lease together with the present value of the net minimum lease payments as of June 30, 2019.

<u>Year Ended June 30,</u>	
2020	\$ 46,629
2021	55,367
2022	<u>27,199</u>
Total Payments	129,195
Less: Interest	<u>(10,534)</u>
Minimum Lease Payments	<u><u>\$ 118,661</u></u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**8. Fund Balances / Net Position**

**Fund Balance**

The following is a detailed schedule of ending fund balances as reported in the fund financial statements by category:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
Restricted For:					
Common School Fund	\$ 3,543	\$ -	\$ -	\$ -	\$ 3,543
Self-funded insurance	180,607	-	-	-	180,607
Other	4	-	-	-	4
Debt Service Funds	-	2,276,184	-	-	2,276,184
Special Revenue Trust Fund	-	-	-	280,260	280,260
Long Term Capital Improvement Fund	-	-	-	306,043	306,043
Capital Projects	-	-	21,368,814	-	21,368,814
Community Service Fund	-	-	-	25,459	25,459
Total Restricted	<u>184,154</u>	<u>2,276,184</u>	<u>21,368,814</u>	<u>611,762</u>	<u>24,440,914</u>
Committed For:					
July/August retiree health and dental premiums	72,114	-	-	-	72,114
Total Committed:	<u>72,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,114</u>
Assigned For:					
Labor costs incurred prior to recognition of first tax lvey revenue in subsequent year	414,966	-	-	-	414,966
HRA reimbursement from 2019 plan year	239,870	-	-	-	239,870
Facility improvement fund proceeds from sale of vacant land	162,352	-	-	-	162,352
technology education house project	111,475	-	-	-	111,475
Total Assigned:	<u>928,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>928,663</u>
Unassigned:	<u>6,185,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,185,898</u>
Total Fund Balances	<u>\$ 7,370,829</u>	<u>\$ 2,276,184</u>	<u>\$ 21,368,814</u>	<u>\$ 611,762</u>	<u>\$ 31,627,589</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**8. Fund Balances / Net Position (Continued)**

**Net Position**

Net position reported on the government-wide statement of net position at June 30, 2019 includes the following:

<b>Governmental</b>	
Capital assets, net	\$ 17,532,705
less capital lease	(118,661)
less LT debt, net of premium	(25,297,421)
plus unspent proceeds	<u>21,368,814</u>
Net investment in capital assets	<u><u>\$ 13,485,437</u></u>
<b>Business-Type Activities</b>	
Capital assets net of depreciation	<u>\$ 24,104</u>
Net investment in capital assets	<u><u>\$ 24,104</u></u>

**9. Limitation on School District Revenues**

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

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

**10. 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; workers' compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. There has been no reduction in insurance coverage in the prior year. Settled claims have not exceeded the commercial coverage in any of the past three years.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**11. Jointly Governed Organization**

The District is served by Cooperative Education Service Agency No. 5 (CESA). CESA is a regional service entity organized to serve the education needs of 35 school districts in all or parts of Adams, Clark, Columbia, Dane, Dodge, Green Lake, Jackson, Juneau, Marathon, Marquette, Monroe, Portage, Sauk, Waupaca, Waushara, and Wood Counties. CESA is governed by an 11-member board of control elected from a delegate assembly, which consists of one school board member from each of the school districts in the CESA region, with special provisions made for areas served by union high/K-8 districts. Participating school districts have neither an ongoing financial interest nor responsibility.

**12. Other Post-Employment Benefits (OPEB) Plan**

A. District Sponsored Other Postemployment Benefits

At June 30, 2019, the District's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

**Plan Description.** The District's defined benefit OPEB plan, The School District of Wisconsin Dells Retirement Benefits Plan (SDWDRBP), provides OPEB for all eligible employees of the District. SDWDRBP is a single-employer defined benefit OPEB plan administered by MidAmerica Administrative & Retirement Solutions, Inc. Benefits and eligibility for teachers and certain support staff are established and amended by the governing body.

**Benefits Provided** SDWDRBP provides healthcare and prescription drug benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

**Employees covered by Benefit Terms**

At June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	33
Inactive employees entitled to but not yet receiving benefit payments	34
Active employees	<u>211</u>
	<u><u>278</u></u>

**Contributions.** The School District of Wisconsin Dells governing body has the authority to establish and amend the contribution requirements of the District and employees. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2019, the District's average contribution rate was 6.10 percent of covered-employee payroll. Employees are not required to contribute to the plan.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

**Net OPEB Liability.** The District's total OPEB Liability of \$5,529,239 was measured at June 30, 2019, and was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018.

**Actuarial Assumptions and Other Inputs.** The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3 percent, average, including inflation
Discount rate	3.75 percent
Healthcare cost trend rates	Actual increases in the first year then 7.50% decreasing by .50% per year down to 6.50%, then down by 0.10% per year down to 5.0%, and level thereafter

Mortality, disability and retirement rates were based on the Wisconsin Retirement System experience to value pensions for public school employees. The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period.

**Discount Rate.** The discount rate used to measure the total net OPEB liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the net OPEB liability. The long-term expected rate of return is equal to the discount rate.

The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index published by the Federal Reserve for the week at the beginning of the measurement date.

The current investment allocation of the District's OPEB plan's asset classes are as follows: 99.5% - exchange-traded funds, .5% - cash equivalents and accrued dividends.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balance at 6/30/2017</b>	<b>\$ 7,606,183</b>	<b>\$ 2,130,088</b>	<b>\$ 5,476,095</b>
<b>Changes for the year:</b>			
Service cost	540,236	-	540,236
Interest	265,138	-	265,138
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumptions or other inputs	(119,750)	-	(119,750)
Contributions - employer	-	601,844	(601,844)
Net investment income	-	30,636	(30,636)
Benefit payments	(601,844)	(601,844)	-
Administrative expense	-	-	-
<b>Net Changes</b>	<b>83,780</b>	<b>30,636</b>	<b>53,144</b>
<b>Balance at 6/30/2018</b>	<b>\$ 7,689,963</b>	<b>\$ 2,160,724</b>	<b>\$ 5,529,239</b>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.5% in 2017 to 3.75% in 2018.

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current discount rate:

		1% Decrease 2.75%	Current Discount Rate 3.75%	1% Increase 4.75%
Net OPEB Liability	6/30/2019	\$ 6,016,876	\$ 5,529,239	\$ 5,065,459

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

**Sensitivity of the total OPEB liability to changes in healthcare cost trend rates.** The following represents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.5 decreasing to 6.0 percent) than the current healthcare cost trend rates:

		Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Net OPEB Liability	6/30/2019	<u>\$ 4,752,277</u>	<u>\$ 6,437,974</u>
		<u>\$ 5,529,239</u>	

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB.** For the year ended June 30, 2019, the District recognized OPEB expense of \$ 131,456. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 202,604	\$ -
Changes of assumptions or other inputs	-	533,489
Net difference between projected and actual earnings on OPEB plan investments	59,228	-
Contributions subsequent to the measurement date	575,294	-
Total	<u>\$ 837,126</u>	<u>\$ 533,489</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

\$575,294 reported as deferred outflows related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ (23,049)
2021	(23,049)
2022	(23,051)
2023	(31,079)
2024	(39,864)
Thereafter	(131,565)

**B. Local Retiree Life Insurance Fund**

**Other Post-Employment Benefits (OPEB).** The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the other post-employment benefits, OPEB expenses, and information about the fiduciary net position of the LRLIF and additions to/ deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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.

**Plan description.** The Local Retiree Life Insurance Fund (LRLIF) is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

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

**Benefits provided.** The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**Contributions.** The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2019 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2017 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$510 in contributions from the employer.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs***

At June 30, 2019, the School District of Wisconsin Dells reported a liability (asset) of \$68,330 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The School District of Wisconsin Dells' proportion of the net OPEB liability (asset) was based on the School District of Wisconsin Dells' share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2018, the School District of Wisconsin Dells' proportion was .02648100%, which was a decrease of .001191% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the School District of Wisconsin Dells recognized OPEB expense of \$6,547.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

At June 30, 2019, the School District of Wisconsin Dells reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>\$</u>	<u>\$</u>
Differences between expected and actual experience	-	(3,467)
Net differences between projected and actual earnings on OPEB plan investments	1,633	-
Changes of assumptions	6,520	(14,811)
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,179	(2,791)
Employer contributions subsequent to the measurement date	-	-
Totals	<u>\$ 9,332</u>	<u>\$ (21,069)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Net Deferred Outflows (Inflows) of Resources</b>
Year ended June 30:	<u>\$</u>
2020	(1,585)
2021	(1,585)
2022	(1,585)
2023	(1,815)
2024	(2,051)
Thereafter	(3,116)
Total	<u>\$ (11,737)</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

*Actuarial assumptions.* The total OPEB liability in the January 1, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2018
Measurement Date of Net OPEB Liability (Asset)	December 31, 2018
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.10%
Long-Term Expected Rate of Return	5.00%
Discount Rate:	4.22%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1 – 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from prior year, including the discount rate, wage inflation rate, mortality and separation rates. The Total OPEB Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**Long-term expected Return on Plan Assets.** The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**12. Other Post-Employment Benefits (OPEB) Plan (Continued)**

**Local OPEB Life Insurance  
Asset Allocation Targets and Expected Returns  
As of December 31, 2018**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.44%
US Credit Bonds	Barclays Credit	40%	2.69%
US Long Credit Bonds	Barclays Long Credit	4%	3.01%
US Mortgages	Barclays MBS	54%	2.25%
US Municipal Bonds	Bloomberg Barclays Muni	1%	1.68%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

**Single Discount rate.** A single discount rate of 4.22% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.63% for the prior year. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

**Sensitivity of the District's proportionate share of the net OPEB liability (asset) to changes in the discount rate.** The following presents the School District of Wisconsin Dells' proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.63 percent, as well as what the Deerfield Community School District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	<u>1% Decrease to Discount Rate (3.22%)</u>	<u>Current Discount Rate (4.22%)</u>	<u>1% Increase to Discount Rate (5.22%)</u>
District's proportionate share of the net OPEB liability (asset)	\$ 97,204	\$ 68,330	\$ 46,060

**OPEB plan fiduciary net position.** Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**13. Pension Plan**

**General Information about the Pension Plan**

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

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 occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings are the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**13. Pension Plan (Continued)**

*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>
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
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17

*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. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. 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 \$709,735 in contributions from the employer.

Contribution rates as of June 30, 2019 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**13. Pension Plan (Continued)**

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

At June 30, 2019, the District reported a liability (asset) of 2,461,918 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2017 rolled forward to December 31, 2018. 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 (asset) was based on a projection of the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2018, the District's proportion was 0.06919999%, which was a decrease of 0.00190858% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$1,676,273.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows 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 experience	\$ 1,917,461	\$ (3,389,383)
Changes of assumptions	414,990	-
Net difference between projected and actual earnings on pension plan investments	3,595,463	-
Changes in proportion and difference between District contributions and proportionate share of contributions	39,462	(901)
District contributions subsequent to the measurement date	431,214	-
Total	<u>\$ 6,398,590</u>	<u>\$ (3,390,284)</u>

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**13. Pension Plan (Continued)**

\$431,214 reported as deferred outflows of resources related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2020	\$ 933,445
2021	244,459
2022	409,011
2023	990,177
2024	-

Actuarial Assumptions. The total pension liability in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability (Asset):	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*	1.9%

*\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. The Total Pension Liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 actuarial valuation.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**13. 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:

**Asset Allocation Targets and Expected Returns  
As of December 31, 2018**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.1	5.5
Fixed Income	24.5	4.0	1.5
Inflation Sensitive Assets	15.5	3.8	1.3
Real Estate	9	6.5	3.9
Private Equity/Debt	8	9.4	6.7
Multi-Asset	4	6.7	4.1
Total Core Fund	110	7.3	4.7
Variable Fund Asset Class			
U.S. Equities	70	7.6	5.0
International Equities	30	8.5	5.9
Total Variable Fund	100	8.0	5.4

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

Single Discount Rate. A single discount rate of 7.00% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.20% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

**13. 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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease to Discount Rate (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase to Discount Rate (8.00%)</b>
District's proportionate share of the net pension liability (asset)	\$ 9,783,922	\$ 2,461,918	\$ (2,982,559)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**14. Effect of New Accounting Standards on Current Period Financial Statements**

GASB has adopted GASB Statement No. 83, Certain Asset Retirement Obligations, GASB Statement No. 84, Fiduciary Activities, and GASB Statement No. 87, Leases. When these become effective, application of these standards may restate portions of these financial statements.

**15. Prior Period Adjustment**

Prior Period adjustments have been recorded effective July 1, 2018, as follows:

	Governmental Activities	Business-Type Activities
Net Position - beginning, as previously reported	\$ 16,519,810	\$ 211,968
Adjustment to allocate Health Benefit OPEB	48,277	(48,277)
Correction of Beginning Capital Asset Book Values	(3,093,739)	-
Correction of Beginning Accumulated Depreciation Balances	3,160,940	-
Net Position - As Restated	\$ 16,635,288	\$ 163,691

The reclassification of the Health Benefit OPEB allocates the District's Health Insurance OPEB Liability between Governmental and Business-Type Activities. The adjustments to correct beginning capital asset and accumulated depreciation values adjust prior year balances for asset the District likely no longer has in service. The net effect of the changes in asset values and accumulated depreciation was \$67,201.

**School District of Wisconsin Dells  
Notes to Financial Statements  
For The Year Ended June 30, 2019**

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**16. Contingencies and Commitments**

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

The District is currently building a new high school and athletic complex. As of June 30, 2019, remaining costs related to the project are estimated to be approximately \$54 million and will be financed with a mix of debt proceeds and contributions from local municipalities.

**17. Self-Funded Insurance Program**

On September 1, 2006, the District established a self-funded dental benefit plan for its employees. The Plan administrator and named fiduciary, School District of Wisconsin Dells, and the claims administrator, Delta Dental of Wisconsin, are responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The Plan reports on a fiscal year ending June 30, 2019.

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

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

At June 30, 2019, the District has reported a liability of \$16,500, which represents unreported claims which were incurred on or before June 30, 2019, but were not paid by the District as of that date. This liability was determined by the claim's administrator.

Changes in the claims liability for the year ended June 30, 2019 are as follows:

	Year Ended June 30, 2019
Estimated claims outstanding July 1	\$ 16,500
Current year claims and changes in estimates	212,944
Claim payments	<u>(212,944)</u>
Estimated claims outstanding June 30	<u>\$ 16,500</u>

REQUIRED SUPPLEMENTARY INFORMATION

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Budgetary Comparison Schedule  
General Fund  
For the Year Ended June 30, 2019**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
	<b>REVENUES</b>			
Local	\$ 16,940,975	\$ 17,109,737	\$ 17,110,544	\$ 807
Interdistrict	837,710	639,264	644,716	5,452
Intermediate	38,786	39,705	36,291	(3,414)
State	2,777,693	3,243,805	3,182,469	(61,336)
Federal	500,780	620,608	536,693	(83,915)
Other	112,789	120,789	57,037	(63,752)
<b>Total Revenues</b>	<b>21,208,733</b>	<b>21,773,908</b>	<b>21,567,750</b>	<b>(206,158)</b>
<b>EXPENDITURES</b>				
Instruction				
Regular Instruction	9,965,399	10,068,914	9,890,404	178,510
Vocational Instruction	455,787	504,405	489,993	14,412
Other Instruction	1,433,000	1,406,069	1,353,919	52,150
Support Services				
Pupil Services	556,769	521,644	478,668	42,976
Instructional Staff Services	1,067,290	1,338,448	1,280,464	57,984
General Administration Services	539,050	532,445	442,469	89,976
Building Administration Services	1,159,987	1,150,156	1,097,682	52,474
Business Services	315,734	310,149	302,607	7,542
Operations and Maintenance	2,204,502	2,566,997	2,382,376	184,621
Pupil Transportation	880,107	1,020,017	991,490	28,527
Central Services	74,671	64,396	49,359	15,037
Insurance	189,040	189,040	186,578	2,462
Other Support Services	575,301	486,489	470,807	15,682
Adjustments and Refunds	5,000	19,331	19,331	-
Debt Service				
Principal Repayment	65,450	46,629	46,629	-
<b>Total Expenditures</b>	<b>19,487,087</b>	<b>20,225,129</b>	<b>19,482,776</b>	<b>742,353</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>1,721,646</b>	<b>1,548,779</b>	<b>2,084,974</b>	<b>536,195</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,841,260)	(1,975,762)	(1,904,802)	70,960
Proceeds from Capital Lease	-	168,597	165,290	(3,307)
<b>Total Other Financing Sources and Uses</b>	<b>(1,841,260)</b>	<b>(1,807,165)</b>	<b>(1,739,512)</b>	<b>67,653</b>
<b>Net Change in Fund Balances</b>	<b>(119,614)</b>	<b>(258,386)</b>	<b>345,462</b>	<b>603,848</b>
Fund Balances - Beginning	7,025,367	7,025,367	7,025,367	-
Fund Balances - Ending	<b>\$ 6,905,753</b>	<b>\$ 6,766,981</b>	<b>\$ 7,370,829</b>	<b>\$ 603,848</b>

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Budgetary Comparison Schedule  
Special Education Fund  
For the Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intermediate	\$ 15,000	\$ 39,995	\$ 40,556	\$ 561
State	553,913	512,596	512,596	-
Federal	617,444	530,968	462,385	(68,583)
<b>Total Revenues</b>	<u>1,186,357</u>	<u>1,083,559</u>	<u>1,015,537</u>	<u>(68,022)</u>
<b>EXPENDITURES</b>				
Instruction				
Special Education Instruction	2,248,313	2,329,254	2,263,117	66,137
Support Services				
Pupil Services	304,540	282,626	270,495	12,131
Instructional Staff Services	244,006	214,896	178,880	36,016
Operation and Maintenance of Plant	6,000	5,000	-	5,000
Pupil Transportation	101,258	120,962	105,088	15,874
Central Services	23,500	6,583	2,759	3,824
<b>Total Expenditures</b>	<u>2,927,617</u>	<u>2,959,321</u>	<u>2,820,339</u>	<u>138,982</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,741,260)</u>	<u>(1,875,762)</u>	<u>(1,804,802)</u>	<u>70,960</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>1,741,260</u>	<u>1,875,762</u>	<u>1,804,802</u>	<u>(70,960)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>1,741,260</u>	<u>1,875,762</u>	<u>1,804,802</u>	<u>(70,960)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Explanation of Differences Between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures  
For the Year Ended June 30, 2019**

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 21,567,750	\$ 1,015,537
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	1,015,537	(1,015,537)
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	\$ 22,583,287	\$ -
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 19,482,776	\$ 2,820,339
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	2,820,339	(2,820,339)
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	\$ 22,303,115	\$ -

**School District of Wisconsin Dells  
District Health Insurance Plan**

**Schedule of Changes in the Districts Net OPEB Liability and Related Ratios  
For the Year Ended June 30, 2019**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>			
Service costs	\$ 540,236	\$ 525,604	\$ 525,604
Interest	265,138	231,025	227,144
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	253,254	-
Changes of assumptions or other inputs	(119,750)	(532,142)	-
Benefit payments	(601,844)	(619,178)	(627,611)
<b>Net change in total OPEB</b>	<b>\$ 83,780</b>	<b>\$ (141,437)</b>	<b>\$ 125,137</b>
<b>Total OPEB Liability - beginning</b>	<b>7,606,183</b>	<b>7,747,620</b>	<b>7,622,483</b>
<b>Total OPEB Liability - ending (a)</b>	<b>\$ 7,689,963</b>	<b>\$ 7,606,183</b>	<b>\$ 7,747,620</b>
<b>Fiduciary Net Position</b>			
Contributions - Employer	\$ 601,844	\$ 819,178	\$ 827,611
Net investment income	30,636	29,850	30,912
Benefit payments	(601,844)	(619,178)	(627,611)
Administrative expense	-	-	-
<b>Net change in fiduciary net position</b>	<b>\$ 30,636</b>	<b>\$ 229,850</b>	<b>\$ 230,912</b>
<b>Fiduciary net position - beginning</b>	<b>2,130,088</b>	<b>1,900,238</b>	<b>1,669,326</b>
<b>Fiduciary net position - ending (b)</b>	<b>\$ 2,160,724</b>	<b>\$ 2,130,088</b>	<b>\$ 1,900,238</b>
<b>Net OPEB Liability</b>			
<b>Net OPEB Liability - ending (a) - (b)</b>	<b>\$ 5,529,239</b>	<b>\$ 5,476,095</b>	<b>\$ 5,847,382</b>
<b>Fiduciary net position as a percentage of the total OPEB liability</b>	<b>28.10%</b>	<b>28.00%</b>	<b>24.53%</b>
<b>Covered payroll</b>	<b>\$ 9,871,526</b>	<b>\$ 9,871,526</b>	<b>\$ 9,361,419</b>
<b>Net OPEB liability as a percentage of covered payroll</b>	<b>56.01%</b>	<b>55.47%</b>	<b>62.46%</b>

**School District of Wisconsin Dells  
District Net OPEB Liability Schedules  
For the Year Ended June 30, 2019**

**Schedule Of District Contributions  
Last 10 Fiscal Years**

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Actuarially Determined Contribution (ADC)	\$ 856,887	\$ 777,243	\$ 777,243
Contributions in Relation to the ADC	601,844	819,178	827,611
Contribution Deficiency/(Excess)	<u>\$ 255,043</u>	<u>\$ (41,935)</u>	<u>\$ (50,368)</u>
 <b>Covered-Employee Payroll</b>	 \$ 9,871,526	 \$ 9,871,526	 \$ 9,361,419
 <b>Contributions as a Percentage of Covered-Employee Payroll</b>	 6.10%	 8.30%	 8.84%

**Required Supplementary Information  
School District of Wisconsin Dells  
Local Retiree Life Insurance Fund  
June 30, 2019**

**Schedule of District's Proportionate Share of the Net OPEB Liability (Asset)  
As of the Measurement Date  
Last 10 Calendar Years\***

Year ended December 31,	Proportion of the net OPEB liability (asset)	Proportionate share of the net OPEB liability (asset)	Covered- employee payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability (asset)
2018	0.02648100%	\$ 68,330	\$ 700,000	9.76%	48.69%
2017	0.02767200%	83,253	1,163,687	7.15%	44.81%

\* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

**Schedule of District's Contributions  
Last 10 Fiscal Years\*\***

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
2019	\$ 508	\$ (508)	\$ -	\$ 683,000	0.07%
2018	525	(525)	-	1,163,687	0.05%

\*\*The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

**School District of Wisconsin Dells  
Wisconsin Retirement System  
June 30, 2019**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)  
AS OF THE MEASUREMENT DATE  
Last 10 Calendar Years\***

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2018	0.06919999%	\$ 2,461,918	\$ 10,593,090	23.24%	96.45%
2017	0.07110857%	(2,111,297)	10,248,881	(20.60%)	102.93%
2016	0.07249599%	597,540	10,090,668	5.92%	99.12%
2015	0.07448115%	1,210,304	10,608,693	11.41%	98.20%
2014	0.07496184%	(1,841,268)	10,244,993	(17.97%)	102.74%

\* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 6 months prior to the financial reporting period.

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
FOR THE YEAR ENDED  
Last 10 Fiscal Years\*\***

Year ended June 30,	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered employee payroll
2019	\$ 716,979	\$ (716,979)	\$ -	\$ 10,837,615	6.62%
2018	696,099	(696,099)	-	10,248,881	6.79%
2017	665,984	(665,984)	-	10,090,668	6.60%
2016	721,391	(721,391)	-	10,608,693	6.80%
2015	714,937	(714,937)	-	10,244,993	6.98%

\*\*The contribution and other amounts presented above for each fiscal year are based on information that occurred during that fiscal year.

**School District of Wisconsin Dells**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2019**

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**1. Wisconsin Retirement System**

Governmental Accounting Standards Board Statement No. 68 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 5 preceding years.

*Change of Benefit Terms.* There were no changes of benefit terms for any participating employer in WRS.

*Change of Assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total Pension Liability changed, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates.

**2. Budget Schedule**

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

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

- Based upon requests from District staff, District administration recommends budget proposals to the School Board.
- The School Board prepares a proposed budget including proposed expenditures and the means of financing them for the July 1 through June 30 fiscal year.
- A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget.
- Pursuant to the public budget hearing, the School Board may alter the proposed budget.
- After the School Board (following the public hearing) adopts the budget, no changes may be made in the amount of tax to be levied or in the amount of the various appropriations and the purposes of such appropriations unless authorized by a 2/3 vote of the entire School Board.

The District is legally required by the State of Wisconsin to maintain and budget separately for a Special Education Fund. GASB Statement No. 54 requires the Special Education Fund to be combined with the General Fund in the basic financial statements. Due to the perspective differences in budgeting, the required supplementary information reports the budgetary comparison information separately for the General Fund and the Special Education Fund.

Except as noted in the previous paragraph, annual budgets are adopted on a basis consistent with U.S generally accepted accounting principles for all governmental and special revenue funds.

Appropriations lapse at year-end unless authorized as a carryover by the School Board.

**School District of Wisconsin Dells**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2019**

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**3. Excess of Actual Expenditures over Budget**

The individual funds had no functions that were in excess of budgeted amounts for the current year.

**4. District Net OPEB Liability Schedules**

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 7 preceding years.

*Changes of benefit terms.* There were no changes of benefit terms during the year.

*Changes of assumptions.* The discount rate was changed to be reflective of a 20-year AA municipal bond rate (3.75%) as of the measurement date. All other major assumptions and methods remained unchanged from the previous valuation performed.

**5. Local Retiree Life Insurance Schedules**

Governmental Accounting Standards Board Statement No. 75 requirements have been implemented prospectively, therefore, the illustrations do not present similar information for the 8 preceding years.

*Changes of Benefit Terms.* There were no changes of benefit terms for any participating employer in LRLIF.

*Changes of Assumptions.* Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015 – 2017. Based on the experience study conducted in 2018, actuarial assumptions used to develop Total OPEB Liability changed, including the discount rate, wage inflation rate, and mortality and separation rates.

OTHER SUPPLEMENTARY INFORMATION

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Combining Balance Sheet  
General Fund  
June 30, 2019**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
<b>Assets</b>				
Cash and investments	\$ 2,757,033	\$ (43,085)	\$ -	\$ 2,713,948
Receivables:				
Taxes	7,024,041	-	-	7,024,041
Accounts	37,835	-	-	37,835
Due from other funds	611,224	13,549	-	624,773
Due from other governments	303,017	111,297	-	414,314
<b>Total assets</b>	<u>\$ 10,733,150</u>	<u>\$ 81,761</u>	<u>\$ -</u>	<u>\$ 10,814,911</u>
<b>Liabilities</b>				
Accounts payable	\$ 1,129,819	\$ -	\$ -	\$ 1,129,819
Accrued liabilities				
Payroll and related liabilities	1,501,868	81,761	-	1,583,629
Self-fund dental benefits deposits	32,435	-	-	32,435
Dental benefit claims payable	16,500	-	-	16,500
Due to other funds	654,076	-	-	654,076
Deposits payable	27,623	-	-	27,623
<b>Total liabilities</b>	<u>3,362,321</u>	<u>81,761</u>	<u>-</u>	<u>3,444,082</u>
<b>Fund balances</b>				
Restricted	184,154	-	-	184,154
Committed	72,114	-	-	72,114
Assigned	928,663	-	-	928,663
Unassigned	6,185,898	-	-	6,185,898
<b>Total fund balances</b>	<u>7,370,829</u>	<u>-</u>	<u>-</u>	<u>7,370,829</u>
<b>Total liabilities and fund balances</b>	<u>\$ 10,733,150</u>	<u>\$ 81,761</u>	<u>\$ -</u>	<u>\$ 10,814,911</u>

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - General Fund  
For the Year Ended June 30, 2018**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
<b>REVENUES</b>				
Local	\$ 17,110,544	\$ -	\$ -	\$ 17,110,544
Interdistrict	644,716	-	-	644,716
Intermediate	36,291	40,556	-	76,847
State	3,182,469	512,596	-	3,695,065
Federal	536,693	462,385	-	999,078
Other	57,037	-	-	57,037
<b>Total Revenues</b>	<u>21,567,750</u>	<u>1,015,537</u>	<u>-</u>	<u>22,583,287</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular Instruction	9,890,404	-	-	9,890,404
Special Education Instruction	-	2,263,117	-	2,263,117
Vocational Instruction	489,993	-	-	489,993
Other Instruction	1,353,919	-	-	1,353,919
Support Services:				
Pupil Services	478,668	270,495	-	749,163
Instructional Staff Services	1,280,464	178,880	-	1,459,344
General Administration Services	442,469	-	-	442,469
Building Administration Services	1,097,682	-	-	1,097,682
Business Services	302,607	-	-	302,607
Operation and Maintenance of Plant	2,382,376	-	-	2,382,376
Pupil Transportation	991,490	105,088	-	1,096,578
Central Services	49,359	2,759	-	52,118
Insurance	186,578	-	-	186,578
Other Support Services	470,807	-	-	470,807
Adjustments and Refunds	19,331	-	-	19,331
Debt Service:				
Principal Repayment	46,629	-	-	46,629
<b>Total Expenditures</b>	<u>19,482,776</u>	<u>2,820,339</u>	<u>-</u>	<u>22,303,115</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>2,084,974</u>	<u>(1,804,802)</u>	<u>-</u>	<u>280,172</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to Other Funds	(1,904,802)	-	1,804,802	(100,000)
Transfer from Other Funds	-	1,804,802	(1,804,802)	-
Proceeds from Capital Lease	165,290	-	-	165,290
<b>Total Other Financing Sources (Uses)</b>	<u>(1,739,512)</u>	<u>1,804,802</u>	<u>-</u>	<u>65,290</u>
Net Change in Fund Balances	345,462	-	-	345,462
Fund Balance - Beginning	7,025,367	-	-	7,025,367
Fund Balance - Ending	<u>\$ 7,370,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,370,829</u>

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Schedule of Changes in Assets and Liabilities  
Agency Fund  
Year Ended June 30, 2019**

	Balance 6/30/2018	Additions	Deductions	Balance 6/30/2019
<b>Assets</b>				
Cash	\$ 213,056	\$ 354,545	\$ 335,877	\$ 231,724
<b>Total assets</b>	\$ 213,056	\$ 354,545	\$ 335,877	\$ 231,724
 <b>Liabilities</b>				
Due to student organizations:				
Elementary School	\$ 28,585	\$ 16,265	\$ 16,584	\$ 28,266
Middle School	35,051	93,536	95,906	32,681
High School	149,420	244,744	223,387	170,777
<b>Total liabilities</b>	\$ 213,056	\$ 354,545	\$ 335,877	\$ 231,724

**School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin**

**Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2019**

	<b>Special Revenue Trust Fund</b>	<b>Capital Improvements Fund</b>	<b>Community Service Fund</b>	<b>Title VI Native American Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>ASSETS</b>					
Cash and Investments	\$ 280,304	\$ 306,043	\$ 25,459	\$ -	\$ 611,806
<b>Total Assets</b>	<u>\$ 280,304</u>	<u>\$ 306,043</u>	<u>\$ 25,459</u>	<u>\$ -</u>	<u>\$ 611,806</u>
<b>LIABILITIES</b>					
Accrued Liabilities	\$ 44	\$ -	\$ -	\$ -	\$ 44
<b>Total Liabilities</b>	<u>44</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44</u>
<b>FUND BALANCES</b>					
Restricted	280,260	306,043	25,459	-	611,762
<b>Total Fund Balances</b>	<u>280,260</u>	<u>306,043</u>	<u>25,459</u>	<u>-</u>	<u>611,762</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 280,304</u>	<u>\$ 306,043</u>	<u>\$ 25,459</u>	<u>\$ -</u>	<u>\$ 611,806</u>

School District of Wisconsin Dells  
Wisconsin Dells, Wisconsin

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue Trust Fund	Capital Improvements Fund	Community Service Fund	Title VI Native American Fund	Total Non-Major Governmental Funds
<b>REVENUES</b>					
Local	\$ 67,910	\$ 4,326	\$ -	\$ -	\$ 72,236
Federal	-	-	-	11,694	11,694
<b>Total Revenues</b>	<u>67,910</u>	<u>4,326</u>	<u>-</u>	<u>11,694</u>	<u>83,930</u>
<b>EXPENDITURES</b>					
Instruction:					
Regular Instruction	4,881	-	-	11,694	16,575
Other Instruction	6,654	-	-	-	6,654
Support Services:					
Pupil Transportation	5,206	-	-	-	5,206
<b>Total Expenditures</b>	<u>16,741</u>	<u>-</u>	<u>-</u>	<u>11,694</u>	<u>28,435</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>51,169</u>	<u>4,326</u>	<u>-</u>	<u>-</u>	<u>55,495</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	100,000	-	-	100,000
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<b>Net Change in Fund Balances</b>	51,169	104,326	-	-	155,495
Fund Balances - Beginning	229,091	201,717	25,459	-	456,267
Fund Balances - Ending	<u>\$ 280,260</u>	<u>\$ 306,043</u>	<u>\$ 25,459</u>	<u>\$ -</u>	<u>\$ 611,762</u>

**SINGLE AUDIT**

**School District of Wisconsin Dells  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

Awarding Agency Pass-Through Agency <u>Award Description</u>	Federal Catalog <u>Number</u>	Pass Through ID <u>Number</u>	Receivable <u>July 1, 2018</u>	Receipts	Expenditures	Receivable <u>June 30, 2019</u>
<b><u>U.S. Department of Agriculture</u></b>						
Passed through Wisconsin Department of Public Instruction:						
Child Nutrition Cluster						
Food Service Aid - Breakfast	10.553	2019-566678-SB-Severe-546	\$ -	\$ 81,826	\$ 98,535	\$ 16,709
National School Lunch Program	10.555	2019-566678-NSL-547	-	294,021	347,641	53,620
National School Lunch Snack Program	10.555	2019-566678-NSLAE-566	-	1,636	1,956	320
Donated Commodities	10.555	Not Available	-	46,590	46,590	-
Special Milk Program for Children	10.556	2019-566678-SMP-548	82	908	937	111
Summer Food Service Program for Children	10.559	2019-566678-SFSP-586	-	69,912	94,593	24,681
Total Child Nutrition Cluster			82	494,893	590,252	95,441
<b>Total U.S. Department of Agriculture</b>			82	494,893	590,252	95,441
<b><u>U.S. Department of Education</u></b>						
Indian Education - Grants to Local Educational Agencies	84.060A	N/A	5,623	17,317	11,694	-
Passed through Wisconsin Department of Public Instruction:						
ESEA Title I-A Basic Grant	84.010	2019-566678-TIA-141	96,132	350,656	370,351	115,827
ESEA Title III-A English Language Acquisition	84.365	2019-566678-TIIIA-391	6,865	6,865	10,900	10,900
ESEA Title II-A Teacher/Principal	84.367	2019-566678-TIIA-365	17,025	45,959	42,273	13,339
ESEA Title IV-A Student Support & Acad Enrich Grant	84.424	2019-566678-TIVA-381	8,354	28,260	19,906	-
Special Education Cluster (IDEA)						
IDEA Flow Through	84.027	2019-566678-IDEA-FT-341	101,491	381,835	373,159	92,815
IDEA CEIS Flow Through	84.027	2019-566678-IDEA-FT-341	18,040	57,087	56,388	17,341
Total IDEA Flow Through Program			119,531	438,922	429,547	110,156
IDEA Preschool Entitlement	84.173	2019-566678-IDEA-PS-347	1,068	15,685	15,861	1,244
Total Special Education Cluster (IDEA)			120,599	454,607	445,408	111,400
Passed through CESA #5:						
Career and Technical Education - Basic Grants to State	84.048	2019-566678-CTE-400	-	11,705	11,705	-
Total Basic Grants to State			-	11,705	11,705	-
<b>Total U.S. Department of Education</b>			254,598	915,369	912,237	251,466
<b><u>U.S. Department of Health and Human Services</u></b>						
Passed through Wisconsin Department of Health Services:						
Medical Assistance Program	93.778	Not Available	2,940	95,942	110,240	17,238
<b>Total U.S. Department of Health and Human Services</b>			2,940	95,942	110,240	17,238
<b>Total Federal Awards</b>			\$ 257,620	\$ 1,506,204	\$ 1,612,729	\$ 364,145

See notes to schedules of expenditures of awards.

**School District of Wisconsin Dells  
Schedule of Expenditures of State Awards  
For the Year Ended June 30, 2019**

Awarding Agency Pass-through Agency <u>Award Description</u>	State ID <u>Number</u>	Pass Through ID <u>Number</u>	Receivable <u>July 1, 2018</u>	Receipts	Expenditures	Receivable <u>June 30, 2019</u>
Wisconsin Department of Public Instruction:						
Entitlement Programs:						
Special Education and School Age Parents	255.101	566678-100	\$ -	\$ 509,596	\$ 509,596	\$ -
Participant in Package Program at CESA #5	255.101	566678-100	-	40,556	\$ 40,556	-
Total Special Education and School Age Parents			-	550,152	550,152	-
Common School Fund Library	255.103	566678-104	-	65,910	65,910	-
Bilingual/Bicultural	255.106	566678-111	-	6,349	6,349	-
Pupil Transportation	255.107	566678-102	-	78,692	78,692	-
Equalization	255.201	566678-116	9,871	583,560	586,002	12,313
Personal Electronic Computing Devices	255.296	566678-175	-	16,375	16,375	-
Achievement Gap Reduction	255.504	566678-160	-	670,832	670,832	-
Aid for High Poverty School District	255.926	566678-121	-	137,959	137,959	-
Educator Effectiveness Eval Sys Grants	255.940	566678-154	-	11,760	11,760	-
Per Pupil Aid	255.945	566678-113	-	1,154,310	1,154,310	-
Career and Technical Educ Incentive Grants	255.950	566678-171	-	11,000	11,000	-
Assessments of Reading Readiness	255.956	566678-166	-	3,644	3,644	-
Aid for Special Education Transition Grant	255.960	566678-168	-	3,000	3,000	-
Cost Reimbursement Programs:						
State School Lunch	255.102	566678-107	-	7,100	7,100	-
Wisconsin School Day Milk Program	255.115	566678-109	-	5,057	5,057	-
School Breakfast Program	255.344	566678-108	-	4,469	4,469	-
Passed through Nekoosa School District:						
Peer Review and Mentoring	255.301	Not Available	6,816	6,816	-	-
Passed through Reedsburg School District:						
Peer Review and Mentoring	255.301	Not Available	-	-	12,240	12,240
Passed through Tomah Area School District:						
Native American Language Revitalization Grant	255.364	Not Available	741	741	596	596
Wisconsin Department of Workforce Development						
Passed through CESA #5						
Youth Apprenticeship	445.112	Not Available	-	900	900	-
Wisconsin Department of Justice:						
School Safety Initiative Grant	445.206	N/A	-	80,382	146,073	65,691
<b>Total State Awards</b>			<u>\$ 17,428</u>	<u>\$ 3,399,008</u>	<u>\$ 3,472,420</u>	<u>\$ 90,840</u>

See notes to schedules of expenditures of awards.

**School District of Wisconsin Dells**  
**Notes to Schedules of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

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**Note 1            Reporting Entity**

The accompanying schedules of expenditures of Federal and State Awards include the federal and state grant activity of the School District of Wisconsin Dells.

**Note 2            Basis of Presentation**

The accounting records for the grant program are maintained on the accrual or modified accrual basis of accounting, depending on the fund type the federal and state awards are recorded in. The information in the schedules are presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*.

**Note 3            Special Education and School Age Parents Program**

2018-2019 eligible costs under the State Special Education Program are \$2,165,373. The 2019-2020 aid estimate is \$530,517.

**Note 4            Medical Assistance**

Expenditures presented for the Medicaid SBS Benefit represent only the federal funds for the program that the District receives from DHS. District records should be consulted to determine the total amount expended for this program.

**Note 5            Food Distribution**

Nonmonetary assistance is reported in the schedule at fair value of the commodities received and disbursed (\$46,590).

**Note 6            De Minimis Cost Rate**

The District did not elect to use the 10% de minimis indirect cost rate.

**Note 7            Subrecipients**

No amounts were passed through to subrecipients.



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Wisconsin Dells School District (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District of Wisconsin Dells' basic financial statements and have issued our report thereon dated December 18, 2019.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questions Costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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 material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2019-002 to be a material weakness.



### **Internal Control Over Financial Reporting (Continued)**

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2019-001 to be a significant deficiency.

### **Compliance and Other Matters**

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

### **School District of Wisconsin Dells' Response to Findings**

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

### **Purpose of this Report**

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

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
December 18, 2019



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE *UNIFORM GUIDANCE AND THE STATE SINGLE AUDIT GUIDELINES***

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

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

We have audited the School District of Wisconsin Dells' (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, and the *State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2019. The District's major federal and state programs are identified in the summary of audit results section of the accompanying Schedule of Findings and Questioned Costs.

**Management Responsibility**

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

**Auditor's Responsibility**

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2019.



## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Wisconsin Public School District Audit Manual and which are described in the accompanying schedule of findings and questioned costs as item 2019-003. Our opinion is not modified with respect to this matter.

The District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program 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 the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

*Johnson Block & Company, Inc.*

Johnson Block & Company, Inc.  
December 18, 2019

**School District of Wisconsin Dells  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2019**

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
* Material weakness identified?	Yes
* Significant deficiency(ies) identified	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
* Material weakness identified?	No
* Significant deficiency(ies) identified	None reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?	No

Identification of major federal programs:	
<u>CFDA Number</u>	<u>Name of Program or Cluster</u>
10.553, 10.555, 10.556, 10.559	Child Nutrition Cluster

Dollar threshold for distinguishing Types A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

State Awards

Internal control over major programs:	
* Material weakness identified?	No
* Significant deficiency(ies) identified	No
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Wisconsin Public School District Audit Manual or State Single Audit Guidelines?	Yes

**School District of Wisconsin Dells  
 Schedule of Findings and Questioned Costs  
 For The Year Ended June 30, 2019**

**Section I – Summary of Auditor’s Results (Continued)**

Identification of major state programs:

<u>ID Number</u>	<u>Name of State Program or Cluster</u>
255.101	Special Education and School Age Parents
255.107	Pupil Transportation
255.201	Equalization Aid
255.504	Achievement Gap Reduction

Dollar threshold for distinguishing Types A and B programs: \$250,000

**Section II – Financial Statement Findings**

**2019-001 Financial Accounting and Reporting**

*Condition:* The District does not have management personnel with necessary expertise to prepare the financial statements, related, notes, and GASB 34 conversion entries to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with the preparation of the District’s financial statements.

*Criteria:* Internal controls over preparation of the financial statements, including footnote disclosures, should be in place to provide reasonable assurance that a misstatement in the financial statements would be prevented or detected.

*Cause:* The additional cost associated with hiring staff experience in preparation of the District’s financial statements, including additional training, outweighs the derived benefits.

*Effect:* Because management relies on the auditor to assist with preparation of the financial statements, the District’s system of internal control may not prevent, detect, or correct misstatements in the financial statements.

*Auditor’s Recommendation:* We recommend the District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District, providing information and training where needed, to make the District’s personnel more knowledgeable about its responsibility for the financial statements.

*Management’s Response:* Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

**School District of Wisconsin Dells  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2019**

**Section II – Financial Statement Findings (Continued)**

**2019-002 Prior Period Adjustment**

*Condition:* The District’s governmental and business-type activities net position was restated to allocate the health insurance OPEB liability between activity types and capital asset balances were adjusted to more accurately reflect actual asset balances as of the beginning of the year. Net position for the governmental activities was increased by \$115,478. Net position for the business-type activities was decreased by \$48,277.

*Criteria:* Internal controls over financial reporting include management’s judgement on the use of estimates and application of accounting policies

*Cause/Effect:* The District initially reflected the entire net OPEB liability as governmental activities, which understated the liabilities owed by the business-type activities. A new inventory of capital assets was performed which reduced the book value and accumulated depreciation of capital assets as of the beginning of the year.

*Recommendation:* Our recommendation includes restatement of the financial statements due to a correction. The current financial statements include these restatements. We recommend the District review the effect of the changes due to corrections prior to the application of the change.

*Management’s Response:* The District initiated the changes to properly segregate the liability by activity type and properly state capital asset balances as of the beginning of the year.

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

**2019-003**

**Program Affected – Special Education and School Age Parents – State ID No. 255.101**

*Condition:* To be eligible for aid under the Special Education and School Age Parents program, staff must have a valid license for a special education work assignment. DPI audits the staff assignment information reported by the District against each individual’s licensure status at the time the audit is conducted.

*Criteria:* As determined by DPI, the District had four special education staff that did not have valid licenses that were appropriate for the staff member’s work assignment

*Cause:* Per review of the District’s special education licensure information, DPI listed four staff members that did not have valid special education licenses, and, therefore, were deemed not eligible for special education aid.

*Effect:* One staff member did have a license for the fiscal year ended June 30, 2019. The remaining staff members did not have a valid license, and the District has moved the related salaries and benefits to project 019 for the year.

*Questioned Costs:* Questioned costs of \$93,574 were identified.

**School District of Wisconsin Dells  
Schedule of Findings and Questioned Costs  
For The Year Ended June 30, 2019**

*Auditor's Recommendation:* We recommend the District monitor the licensure status of all staff members to ensure they are appropriate for their work assignments.

*Grantee Response:* The District agrees with recommendation and will ensure staff are appropriately licensed moving forward.

*Status:* The District has downloaded and printed out the current license listing from the WISEStaff system and has followed up with staff to apply for required licenses or emergency licenses based on the report or edits in the WISEStaff report. The District has also already communicated and will follow-up with staff whose licenses will expire at the end of 2019-2020. The District will continue to monitor the license report and use the ELO system to verify new hires have the license or obtain the emergency license required by DPI going forward.

**Section IV – Other Issues**

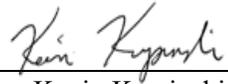
Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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

Department of Public Instruction	Yes
Department of Health Services	No
Department of Justice	No

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

Name and Signature of Partner

  
\_\_\_\_\_  
Kevin Krysinski, CPA

Date of Report

December 18, 2019

**School District of Wisconsin Dells  
Summary Schedule of Prior Year Findings and Questioned Costs  
For The Year Ended June 30, 2019**

**Financial Statement Findings**

2018-001 Financial Accounting and Reporting – See finding 2019-001.

**Federal and State Award Findings and Questioned Costs**

None

**Other Programs with Limited Required Procedures Findings and Questioned Costs**

None