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**SCHOOL DISTRICT
OF WISCONSIN DELLS**

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

For the Year Ended June 30, 2020

**School District of Wisconsin Dells
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For the Year Ended June 30, 2020**

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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, the business-type 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, 2020 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 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, the business-type activities, each major fund and the aggregate remaining fund information of the School District of Wisconsin Dells, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 other supplementary information is the responsibility of management and was derived from and relates 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 is 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 will also issue our report 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 28, 2020

**SCHOOL DISTRICT OF WISCONSIN DELLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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, 2020. 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 \$20,526,884 from the prior year. The change includes an increase of \$20,507,702 in governmental activities and an increase of \$19,182 in business-type activities. The increase in governmental activities net position was largely due to the increase in capital assets financed partially by the Village of Lake Delton and the City of the Wisconsin Dells.
- In governmental funds, total fund balance decreased by \$15,665,329.
- Total District revenues were \$44,980,759, including \$19,572,658 in property taxes, \$3,913,927 federal and state aid and \$3,090,112 in operating grants and contributions, \$17,464,887 in capital grants and contributions, \$283,181 charges for services, and \$655,994 in other revenues.
- Total District expenditures were \$24,453,875, including \$14,479,230 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, 2020**

- 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.

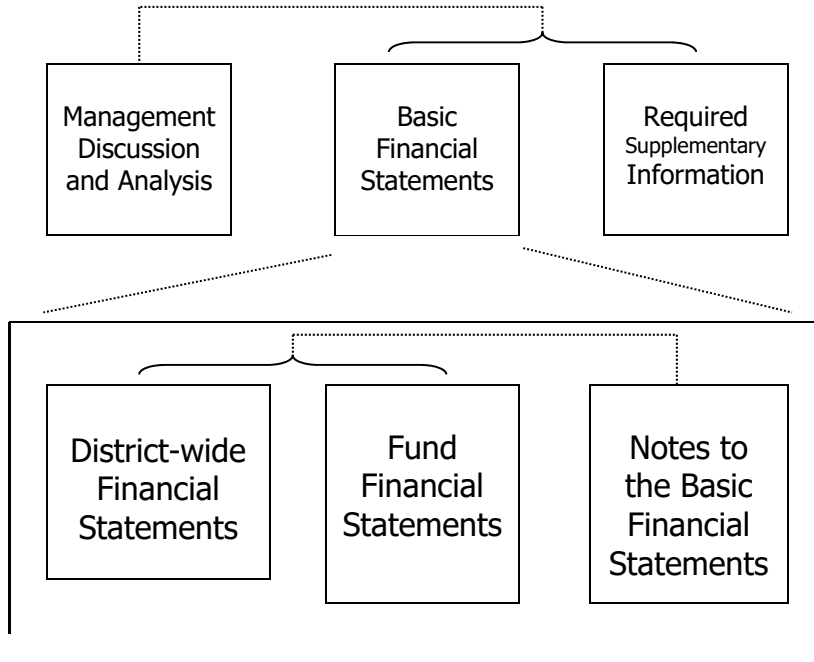
3. Notes to the Basic Financial Statements

- 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, 2020**

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, 2020**

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, 2020**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE

Table 1 provides a summary of the District's net position at June 30, 2020, compared to June 30, 2019.

Table 1
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District	
	2020	2019	2020	2019	2020	2019
Assets						
Current Assets	\$ 26,936,793	\$ 36,745,883	\$ 219,732	\$ 208,579	\$ 27,156,525	\$ 36,954,462
Capital Assets	74,815,635	32,004,520	155,748	244,770	74,971,383	32,249,290
Less Accumulated Depreciation	(15,410,869)	(14,471,815)	(111,704)	(220,666)	(15,522,573)	(14,692,481)
Capital Assets, net book value	59,404,766	17,532,705	44,044	24,104	59,448,810	17,556,809
Other Non-Current Assets	2,162,197	-	58,187	-	2,220,384	-
Total Assets	88,503,756	54,278,588	321,963	232,683	88,825,719	54,511,271
Deferred Outflows of Resources						
Deferred Pension related outflows of resources	4,742,695	6,235,049	127,631	163,540	4,870,326	6,398,589
OPEB related outflows of resources	1,490,813	838,561	13,331	7,897	1,504,144	846,458
	6,233,508	7,073,610	140,962	171,437	6,374,470	7,245,047
Liabilities						
Current Liabilities	12,524,664	7,415,841	22,767	11,028	12,547,431	7,426,869
Long-term Liabilities	35,405,624	31,442,854	49,658	115,087	35,455,282	31,557,941
Total Liabilities	47,930,288	38,858,695	72,425	126,115	48,002,713	38,984,810
Deferred Inflows of Resources						
Deferred Pension Inflows	6,474,250	3,303,632	174,229	86,652	6,648,479	3,390,284
OPEB Related outflows of resources	1,184,678	549,525	10,769	5,033	1,195,447	554,558
Total Deferred Inflows of Resources	7,658,928	3,853,157	184,998	91,685	7,843,926	3,944,842
Net Position						
Net Investment in Capital Assets	34,558,221	13,485,437	44,044	24,104	34,602,265	13,509,541
Restricted	1,579,587	2,766,182	161,458	162,216	1,741,045	2,928,398
Unrestricted	3,010,240	2,388,727	-	-	3,010,240	2,388,727
Total Net Position	\$ 39,148,048	\$ 18,640,346	\$ 205,502	\$ 186,320	\$ 39,353,550	\$ 18,826,666

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 19.88% 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 \$404,071 for debt service.

**SCHOOL DISTRICT OF WISCONSIN DELLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Table 2 shows the changes in net position for the fiscal years 2020 and 2019.

Table 2
Change in Net Position

	Government Activities		Business-Type Activities		Total School District	
	2020	2019	2020	2019	2020	2019
General Revenues						
Property Taxes	\$ 19,572,658	\$ 19,156,440	\$ -	\$ -	\$ 19,572,658	\$ 19,156,440
Federal and State Aid	3,913,927	2,787,349	-	-	3,913,927	2,787,349
Other	643,528	1,892,701	12,466	-	655,994	1,892,701
Total General Revenues	24,130,113	23,836,490	12,466	-	24,142,579	23,836,490
Program Revenues						
Charges for Services	69,906	90,519	213,275	254,810	283,181	345,329
Operating Grants & Contributions	2,479,910	2,623,685	610,202	607,642	3,090,112	3,231,327
Capital Grants and Contributions	17,464,887	-	-	-	17,464,887	-
Total Program Revenues	20,014,703	2,714,204	823,477	862,452	20,838,180	3,576,656
Total Revenues	44,144,816	26,550,694	835,943	862,452	44,980,759	27,413,146
Program Expenses						
Instruction	14,479,230	14,741,704	-	-	14,479,230	14,741,704
Pupil & Instructional Services	3,006,784	2,316,099	-	-	3,006,784	2,316,099
General Administration & Finance	1,900,303	1,944,517	-	-	1,900,303	1,944,517
Operations and Maintenance	1,833,952	2,002,936	-	-	1,833,952	2,002,936
Pupil Transportation	939,874	1,176,179	-	-	939,874	1,176,179
Interest on Debt	1,047,028	997,985	-	-	1,047,028	997,985
Other	429,943	1,300,306	-	-	429,943	1,300,306
Food Service Program	-	-	816,761	839,823	816,761	25,319,549
Total Expenses	23,637,114	24,479,726	816,761	839,823	24,453,875	25,319,549
Gain (Loss) on Disposal	-	(65,910)	-	-	-	(65,910)
Change in Net Position	\$ 20,507,702	\$ 2,005,058	\$ 19,182	\$ 22,629	\$ 20,526,884	\$ 2,027,687

Governmental Activities

The District relies primarily on property taxes to fund governmental activities. In the current year, The District received about \$17 million in contributions from local municipalities for construction of a new high school and athletic complex.

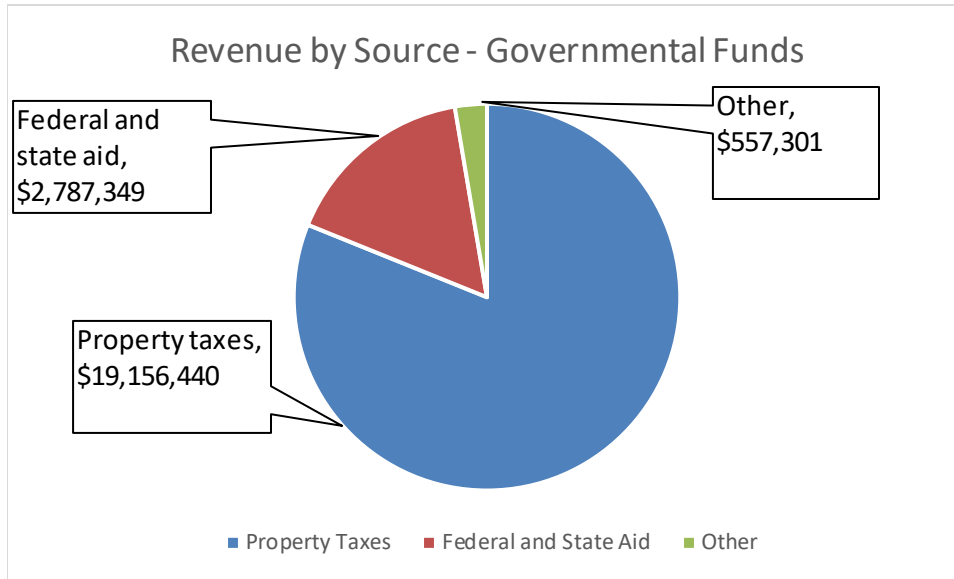
School funding regulations restrict the amount by which property taxes and general state aid, in combination, may be increased. This restriction, called the revenue limit, is intended to help hold down increases in property taxes throughout the state.

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, 2020**

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

Property Taxes	\$ 19,572,658	81.11%
Federal and State Aid	3,913,927	16.22%
Other	643,528	2.67%
Total General Revenues	\$ 24,130,113	100.00%



Governmental Funds

As of June 30, 2020, the District's governmental funds reported combined ending fund balance of \$15,962,260, a decrease of \$15,665,329 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, 2019	June 30, 2020	Change	Change (%)
General	\$ 7,370,829	\$ 8,057,016	\$ 686,187	9.31%
Debt Service	2,276,184	772,668	(1,503,516)	-66.05%
Capital Projects	21,368,814	6,204,553	(15,164,261)	0.00%
Other Governmental	611,762	928,023	316,261	51.70%
Total	\$ 31,627,589	\$ 15,962,260	\$ (15,665,329)	-5.04%

**SCHOOL DISTRICT OF WISCONSIN DELLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

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 47 & 48.

General Fund

- General fund revenues were more than the budget by \$108,700.
- General fund expenditures were less than the budget by \$661,290.

CAPITAL ASSETS

At June 30, 2020, the District had \$59,448,810 invested in a broad range of capital assets, including land, construction work in progress, buildings and furniture and equipment. This amount represents a net increase (including additions, deletions and depreciation) of \$41,892,001, or 238.61% from last year.

Table 4
Governmental Activities
Capital Assets - Net of Depreciation

	Governmental Activities		Business-Type Activities		Total School District	
	2020	2019	2020	2019	2020	2019
Non-Depreciable Capital Assets	\$ 2,104,458	\$ 2,104,458	\$ -	\$ -	\$ 2,104,458	\$ 2,104,458
Construction In Process	45,272,810	3,051,271	-	-	45,272,810	3,051,271
Capital Assets Being Depreciated	27,438,367	26,848,791	155,748	244,770	27,594,115	27,093,561
Accumulated Depreciation	<u>(15,410,869)</u>	<u>(14,471,815)</u>	<u>(111,704)</u>	<u>(220,666)</u>	<u>(15,522,573)</u>	<u>(14,692,481)</u>
	<u>\$ 59,404,766</u>	<u>\$ 17,532,705</u>	<u>\$ 44,044</u>	<u>\$ 24,104</u>	<u>\$ 59,448,810</u>	<u>\$ 17,556,809</u>

During the fiscal year, the District continued 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, 2019, the District had total outstanding bond principal of \$24,245,000. During the year, the District made payments against principal of \$4,205,000 and issued debt of \$9,500,000 resulting in ending outstanding general obligation debt as of June 30, 2020, of \$29,540,000.

**SCHOOL DISTRICT OF WISCONSIN DELLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Table 5
Outstanding Long-Term Obligations

	2020	2019	% Change
General Obligation Debt	\$ 30,943,761	\$ 24,245,000	28%
Vested Employee Benefits	\$ 80,445	\$ 74,000	9%
Total Long-Term Obligations	<u>\$ 31,024,206</u>	<u>\$ 24,319,000</u>	<u>37%</u>

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

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

- The electorate of the District passed a \$33,685,000 referendum on November 6, 2018, to build a new high school with additional financial support from the City of Wisconsin Dells and Village of Lake Delton. The new facility opened in the fall of 2020. In addition, the previous high school was converted to a middle school for grades 6-8 and the Spring Hill School was transitioned from a P-K through grade 8 building to a P-K through grade 5-only building.
- The District continues to be negatively impacted by Public School Open Enrollment. Over the past five years, the number of non-resident students the District serves has increased. The number of students leaving the District still exceeds the number coming into the District; however, the difference between the two numbers is trending downward.
- Controlling expenditure increases to fit within available revenue continues to be an annual challenge. The 2021-22 school year marks the beginning of the State’s biennial budget, which adds additional uncertainties in the budget process.
- The District maintains a healthy fund balance to avoid short-term borrowing, to provide resources for any unplanned or emergency expenditures, and to make appropriations for capital (building) projects as needed.
- The District is using fund balance to offset a budget shortfall for 2020-21 and is discussing a spring 2021 referendum to exceed the revenue limit for operational purposes.
- Two separate apartment complex developments within the City of Wisconsin Dells have been approved for construction. One will be a single apartment building with 60 units of rent-controlled housing and the other will consist of two apartment buildings and will contain 75 units in each. The lack of available, affordable housing has been a long-standing issue in the District in attracting families in with school-aged children. The first units are hoped to be available in June or July 2021.

**SCHOOL DISTRICT OF WISCONSIN DELLS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2020**

Next Year's Budget:

The revenue budget for the 2020-2021 year is \$20,161 less than the actual revenues for 2019-2020. This represents a 0.09% decrease in budgeted revenues. The expenditure budget for the 2020-2021 year is \$2,184,437 more than the actual expenditures for 2019-2020, or a 9.91% increase.

The comparison of revenue and expenditure categories is as follows:

Table 6

BUDGETED REVENUES

	<u>2020-2021</u>	<u>2019-2020</u>
Local	74.06%	75.00%
Other District/Intermediate	4.27%	3.48%
State	16.38%	18.67%
Federal	4.53%	2.57%
Financing/Other	0.76%	0.28%
	100.00%	100.00%

BUDGETED EXPENDITURES

	<u>2020-2021</u>	<u>2019-2020</u>
Instruction	45.77%	48.50%
Support Services	39.76%	36.10%
Non-Program Transactions	5.67%	5.83%
Fund Transfers	8.80%	9.57%
	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.

School District of Wisconsin Dells
Wisconsin Dells, Wisconsin
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	\$ 4,231,180	\$ 173,880	\$ 4,405,060
Restricted Cash	461,597	-	461,597
Receivables:			
Taxes	6,951,412	-	6,951,412
Accounts	22,395	-	22,395
Due from Fiduciary Funds	604,820	1,205	606,025
Due from Other Governments	14,665,389	44,647	14,710,036
Total Current Assets	<u>26,936,793</u>	<u>219,732</u>	<u>27,156,525</u>
Noncurrent Assets:			
Land	2,104,458	-	2,104,458
Construction in Progress	45,272,810	-	45,272,810
Capital Assets Being Depreciated	27,438,367	155,748	27,594,115
Less: Accumulated depreciation	(15,410,869)	(111,704)	(15,522,573)
Net Capital Assets	<u>59,404,766</u>	<u>44,044</u>	<u>59,448,810</u>
Restricted Assets:			
Net Pension Asset	2,162,197	58,187	2,220,384
Total Restricted Assets	<u>2,162,197</u>	<u>58,187</u>	<u>2,220,384</u>
Total Assets	<u>88,503,756</u>	<u>321,963</u>	<u>88,825,719</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred OPEB Outflows - Group Life Insurance Plan	49,773	-	49,773
Deferred OPEB Outflows - District Health Insurance Plan	1,441,040	13,331	1,454,371
Deferred Pension Outflows - Wisconsin Retirement System	4,742,695	127,631	4,870,326
Total Deferred Outflows of Resources	<u>6,233,508</u>	<u>140,962</u>	<u>6,374,470</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 94,737,264</u>	<u>\$ 462,925</u>	<u>\$ 95,200,189</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 9,245,852	\$ -	\$ 9,245,852
Due to Agency Fund	935	-	935
Accrued Liabilities:			
Payroll and Related Items	1,662,851	2,475	1,665,326
Self-funded Dental Deposits	34,423	-	34,423
Self-funded Dental Claims	22,201	-	22,201
Accrued Interest	368,597	-	368,597
Deposits Payable	8,270	20,292	28,562
Current Portion of Long-term Obligations	1,130,000	-	1,130,000
Current Portion of Capital Lease	51,535	-	51,535
Total Current Liabilities	<u>12,524,664</u>	<u>22,767</u>	<u>12,547,431</u>
Noncurrent Liabilities:			
Noncurrent Portion of Long-term Liabilities, Net	29,813,761	-	29,813,761
Noncurrent Portion of Capital Lease	25,802	-	25,802
Compensated Absences	80,445	-	80,445
OPEB Liability - Group Life Insurance Plan	117,918	-	117,918
OPEB Liability - District Health Insurance Plan	5,367,698	49,658	5,417,356
Total Noncurrent Liabilities	<u>35,405,624</u>	<u>49,658</u>	<u>35,455,282</u>
Total Liabilities	<u>47,930,288</u>	<u>72,425</u>	<u>48,002,713</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred OPEB Inflows - Group Life Insurance Plan	20,589	-	20,589
Deferred OPEB Inflows - District Health Insurance Plan	1,164,089	10,769	1,174,858
Deferred Pension Inflows - Wisconsin Retirement System	6,474,250	174,229	6,648,479
Total Deferred Inflows of Resources	<u>7,658,928</u>	<u>184,998</u>	<u>7,843,926</u>
NET POSITION			
Net Investment in Capital Assets	34,558,221	44,044	34,602,265
Restricted:			
Common School Fund	53,757	-	53,757
Self Funded Insurance	193,736	-	193,736
Debt Service	404,071	-	404,071
Special Revenue Trust	489,776	-	489,776
Capital Improvement Fund	412,788	-	412,788
Community Service Fund	25,459	-	25,459
Food Service	-	161,458	161,458
Unrestricted (deficit)	3,010,240	-	3,010,240
Total Net Position	<u>39,148,048</u>	<u>205,502</u>	<u>39,353,550</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 94,737,264</u>	<u>\$ 462,925</u>	<u>\$ 95,200,189</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, 2020

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities							
Instruction:							
Regular Instruction	\$ 10,314,207	\$ 30,931	\$ 1,061,184	\$ -	\$ (9,222,092)		\$ (9,222,092)
Special Education Instruction	2,349,205	-	976,632	-	(1,372,573)		(1,372,573)
Vocational Instruction	487,085	610	170,594	-	(315,881)		(315,881)
Other Instruction	1,328,733	38,365	13,238	-	(1,277,130)		(1,277,130)
Support Services:							
Pupil Services	752,397	-	-	-	(752,397)		(752,397)
Instructional Staff Services	1,317,920	-	176,051	-	(1,141,869)		(1,141,869)
General Administration Services	420,799	-	-	-	(420,799)		(420,799)
Building Administration Services	1,155,388	-	-	-	(1,155,388)		(1,155,388)
Business Services	324,116	-	-	-	(324,116)		(324,116)
Operations and Maintenance of Plant	1,833,952	-	363	17,464,887	(1,833,589)		(1,833,589)
Pupil Transportation	939,874	-	81,848	-	(858,026)		(858,026)
Central Services	76,895	-	-	-	(76,895)		(76,895)
Insurance	286,883	-	-	-	(286,883)		(286,883)
Other Support Services	572,689	-	-	-	(572,689)		(572,689)
Interest and Fiscal Charges	1,047,028	-	-	-	(1,047,028)		(1,047,028)
Non-Program Services	37,188	-	-	-	(37,188)		(37,188)
Depreciation - Unallocated	392,755	-	-	-	(392,755)		(392,755)
Total Governmental Activities	<u>23,637,114</u>	<u>69,906</u>	<u>2,479,910</u>	<u>17,464,887</u>	<u>(3,622,411)</u>		<u>(3,622,411)</u>
Business-type Activities							
Food service program	816,761	213,275	610,202	-	-	6,716	6,716
Total Business-type Activities	<u>816,761</u>	<u>213,275</u>	<u>610,202</u>	<u>-</u>	<u>-</u>	<u>6,716</u>	<u>6,716</u>
Total primary government	<u>\$ 24,453,875</u>	<u>\$ 283,181</u>	<u>\$ 3,090,112</u>	<u>\$ 17,464,887</u>	<u>(3,622,411)</u>	<u>6,716</u>	<u>(3,615,695)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					16,299,700	-	16,299,700
Property taxes, levied for debt service					3,272,958	-	3,272,958
Federal and State Aid not restricted to specific purpose					3,913,927	-	3,913,927
Interest and Investment Earnings					309,911	-	309,911
Miscellaneous					313,791	-	313,791
Transfer from Fiduciary Fund					19,826	12,466	32,292
Total General Revenues					<u>24,130,113</u>	<u>12,466</u>	<u>24,142,579</u>
Change in Net Position					<u>20,507,702</u>	<u>19,182</u>	<u>20,526,884</u>
Net Position - Beginning					<u>18,640,346</u>	<u>186,320</u>	<u>18,826,666</u>
Net Position - Ending					<u>\$ 39,148,048</u>	<u>\$ 205,502</u>	<u>\$ 58,180,216</u>

See accompanying notes to the financial statements.

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

**Balance Sheet
Governmental Funds
June 30, 2020**

	General Fund	Capital Projects Fund	Referendum Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 2,538,765	\$ 461,595	\$ 772,668	\$ 919,747	\$ 4,692,775
Receivables:					
Taxes	6,951,412	-	-	-	6,951,412
Accounts	22,395	-	-	-	22,395
Due from Other Funds	604,820	210,598	-	-	815,418
Due from Other Governments	287,356	14,369,733	-	8,300	14,665,389
Total Assets	\$ 10,404,748	\$ 15,041,926	\$ 772,668	\$ 928,047	\$ 27,147,389
LIABILITIES					
Accounts Payable	\$ 408,478	\$ 8,837,373	\$ -	\$ -	\$ 9,245,851
Accrued Liabilities	1,643,079	-	-	24	1,643,103
Self-fund dental benefits deposits	34,423	-	-	-	34,423
Dental benefit claims payable	22,201	-	-	-	22,201
Deposits payable	28,018	-	-	-	28,018
Due to other funds	211,533	-	-	-	211,533
Total Liabilities	2,347,732	8,837,373	-	24	11,185,129
FUND BALANCES					
Restricted	247,493	6,204,553	772,668	928,023	8,152,737
Committed	602,712	-	-	-	602,712
Assigned	2,417,646	-	-	-	2,417,646
Unassigned	4,789,165	-	-	-	4,789,165
Total Fund Balances	8,057,016	6,204,553	772,668	928,023	15,962,260
Total Liabilities and Fund Balances	\$ 10,404,748	\$ 15,041,926	\$ 772,668	\$ 928,047	\$ 27,147,389

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, 2020**

Total fund balance, governmental funds	\$	15,962,260
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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.		59,404,766
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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 Asset (Liability)		2,162,197
OPEB asset - group life insurance plan		(117,918)
OPEB liability - district health insurance plan		(5,367,698)

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		6,233,508
Deferred inflows of resources		(7,658,928)

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		(29,540,000)
Obligations under capital leases		(77,337)
Accrued interest on long-term debt		(368,597)
Compensated absences		(80,445)
Premium on long-term debt		(1,403,761)
Rounding		1

Net Position of Governmental Activities in the Statement of Net Position	\$	39,148,048
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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, 2020**

	General Fund	Capital Projects Fund	Referendum Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Local	\$ 16,410,593	\$ 17,709,539	\$ 3,285,433	\$ 233,515	\$ 37,639,080
Interdistrict	780,230	-	-	-	780,230
Intermediate	67,114	-	-	-	67,114
State	4,574,271	-	-	-	4,574,271
Federal	952,612	-	-	14,016	966,628
Other	53,908	-	43,757	-	97,665
Total Revenues	<u>22,838,728</u>	<u>17,709,539</u>	<u>3,329,190</u>	<u>247,531</u>	<u>44,124,988</u>
EXPENDITURES					
Instruction:					
Regular Instruction	10,092,345	-	-	2,668	10,095,013
Special Education Instruction	2,359,776	-	-	-	2,359,776
Vocational Instruction	479,765	-	-	2,386	482,151
Other Instruction	1,310,793	-	-	27,562	1,338,355
Support Services:					
Pupil Services	749,575	-	-	2,250	751,825
Instructional Staff Services	1,316,968	-	-	12,606	1,329,574
General Administration Services	423,456	-	-	25	423,481
Building Administration Services	1,148,323	-	-	5,015	1,153,338
Business Services	319,410	-	-	-	319,410
Operation and Maintenance of Plant	2,029,423	42,365,154	-	-	44,394,577
Pupil Transportation	804,735	-	-	4,550	809,285
Central Services	64,613	-	-	-	64,613
Insurance	278,237	8,646	-	-	286,883
Other Support Services	591,116	-	-	-	591,116
Adjustments and Refunds	24,912	-	-	-	24,912
Debt Service:					
Principal Repayment	41,324	-	4,364,935	-	4,406,259
Interest Expense	5,304	-	940,408	-	945,712
Total Expenditures	<u>22,040,075</u>	<u>42,373,800</u>	<u>5,305,343</u>	<u>57,062</u>	<u>69,776,280</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>798,653</u>	<u>(24,664,261)</u>	<u>(1,976,153)</u>	<u>190,469</u>	<u>(25,651,292)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	132,292	132,292
Transfers Out	(112,466)	-	-	-	(112,466)
Proceeds from Long-Term Debt	-	9,500,000	472,637	-	9,972,637
Total Other Financing Sources (Uses)	<u>(112,466)</u>	<u>9,500,000</u>	<u>472,637</u>	<u>132,292</u>	<u>9,992,463</u>
Net Change in Fund Balances	686,187	(15,164,261)	(1,503,516)	316,261	(15,665,329)
Fund Balances - Beginning	7,370,829	21,368,814	2,276,184	611,762	31,627,589
Fund Balances - Ending	<u>\$ 8,057,016</u>	<u>\$ 6,204,553</u>	<u>\$ 772,668</u>	<u>\$ 928,023</u>	<u>\$ 15,962,260</u>

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, 2020**

Net change in fund balances - total governmental funds: \$ (15,665,329)

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 (\$42,758,863) exceeded depreciation (\$886,802) in the current period. 41,872,061

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: 4,205,000
The amount of capital lease principal payments in the current year is: 41,324

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: (9,500,000)

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.

Debt premium shown as other financing source in the fund financials. (472,637)

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 748,036
Actuarially determined change in net pension asset/liability between years, with adjustments (849,817)

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 76,889
(Increase) Decrease in Compensated absences (6,445)

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 (62,678)

Change in net position of governmental activities \$ 20,507,702

See accompanying notes to the financial statements.

School District of Wisconsin Dells
Statement of Net Position
Proprietary Funds
June 30, 2020

	<u>Food Service</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 173,880
Due from Other Funds	1,205
Due from Other Governments	44,647
Total Current Assets	<u>219,732</u>
Noncurrent Assets:	
Net Pension Asset	58,187
Furniture and Equipment	155,748
Less Accumulated Depreciation	<u>(111,704)</u>
Net Capital Assets	<u>44,044</u>
Total Noncurrent Assets	<u>102,231</u>
Total Assets	<u>321,963</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Outflows	127,631
Deferred OPEB Outflows	<u>13,331</u>
Total Deferred Outflows of Resources	<u>140,962</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 462,925</u>
LIABILITIES	
Current Liabilities:	
Payroll, Payroll Taxes, Insurance	\$ 2,475
Deposit Payable	<u>20,292</u>
Total Current Liabilities	<u>22,767</u>
Noncurrent Liabilities:	
Net OPEB Liability	<u>49,658</u>
Total Noncurrent Liabilities	<u>49,658</u>
Total Liabilities	<u>72,425</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Inflows	174,229
Deferred OPEB Inflows	<u>10,769</u>
Total Deferred Inflows of Resources	<u>184,998</u>
NET POSITION	
Net Investment in Capital Assets	44,044
Restricted for Food Service	<u>161,458</u>
Total Net Position	<u>205,502</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 462,925</u>

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, 2020**

	<u>Food Service</u>
OPERATING REVENUES	
Food Sales	\$ 213,275
State Sources	19,321
Federal Sources	590,881
Total Operating Revenues	<u>823,477</u>
OPERATING EXPENSES	
Food and Materials	816,176
Other	585
Total Operating Expenses	<u>816,761</u>
Operating Income (Loss)	<u>6,716</u>
NON-OPERATING ITEMS	
Transfers In	<u>12,466</u>
Net Transfers	<u>12,466</u>
Change in Net Position	<u>19,182</u>
Net Position - Beginning	<u>186,320</u>
Net Position - Ending	<u><u>\$ 205,502</u></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, 2020**

	Food Service
Cash Flows from Operating Activities:	
Cash received from user charges	\$ 223,431
Cash received from other governmental payments	660,996
Cash payments to employees for services	(419,675)
Cash payments to suppliers for goods and services	(393,716)
Cash payments for other operating activities	(585)
Net cash provided (used) by operating activities	70,451
Cash Flows from Non-Capital Financing Activities:	
Transfer in (out) from (to) other funds	12,466
Net cash provided (used) by non-capital financing activities	12,466
Cash Flows from Investing Activities:	
Purchase of capital assets	(21,115)
Net cash provided (used) by investing activities	(21,115)
Net increase (decrease) in cash and cash equivalents	61,802
Cash and equivalents- beginning of year	112,078
Cash and equivalents- end of year	\$ 173,880
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ 6,716
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,174
Changes in assets and liabilities:	
Due to (from) other governments	50,794
Accounts receivable	(145)
Payroll, payroll taxes, insurance	1,438
Pension expense	2,376
OPEB Expense	(2,203)
Unearned revenue	10,301
Net cash provided (used) by operating activities	\$ 70,451

See accompanying notes to the financial statements.

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

**Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020**

	Private Benefit Trust Fund	Postemployment Employee Benefit Trust Funds	Agency Fund	Total Fiduciary
ASSETS				
Cash and Investments	\$ -	\$ 2,329,579	\$ 226,299	\$ 2,555,878
Due from Other Funds	-	-	935	935
Total Assets	<u>\$ -</u>	<u>\$ 2,329,579</u>	<u>\$ 227,234</u>	<u>\$ 2,556,813</u>
LIABILITIES				
Due to Student Organizations	\$ -	\$ -	\$ 227,234	\$ 227,234
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 227,234</u>	<u>227,234</u>
NET POSITION				
Restricted for Post Employment Benefits	-	2,329,579		2,329,579
Total Liabilities and Net Position	<u>\$ -</u>	<u>\$ 2,329,579</u>		<u>\$ 2,556,813</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, 2020**

	Private Benefit Trust Fund	Postemployment Employee Benefit Trust Funds
ADDITIONS		
Employer contributions	\$ -	\$ 584,205
Retiree contributions	-	85,855
Interest & dividend income	-	39,536
Total additions	\$ -	\$ 709,596
DEDUCTIONS		
Investment Loss:		
Trust Fund Disbursements	\$ -	\$ 606,025
Transfers Out	32,292	-
Total deductions	32,292	606,025
Change in net position	(32,292)	103,571
Net position - beginning	32,292	2,226,008
Net position - ending	\$ -	\$ 2,329,579

See accompanying notes to the financial statements.

School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020

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, 2020**

1. Summary of Significant Accounting Policies (Continued)

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, 2020**

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, 2020**

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 2019 tax levy is used to finance operations of the District's fiscal year ended June 30, 2020. 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, 2020**

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, 2020.

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, 2020**

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	5,000	Straight-line	5 years
Software	5,000	Straight-line	10-15 years
Library books	5,000	Straight-line	10 years
Textbooks	5,000	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, 2020**

I. Summary of Significant Accounting Policies (Continued)

J. Other Obligations (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, 2020**

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, 2020**

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, 2020**

3. Cash and Investments

For all the District's cash and investments shown below, the market value at the balance sheet date is substantially the same as the fair value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the District's deposits were higher than the June 30, 2020 balances, detailed below. This means that the District's risk and exposure could be higher at these times.

<u>Depository:</u>	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Associated Risk</u>
Deposits with financial institutions	\$ 1,629,917	\$ 3,177,766	Custodial credit risk
Petty cash funds	122	122	Not applicable
Mid America Trust	2,329,579	1,659,519	Credit risk, interest rate risk
Investments:			
WISC Financial Investments:			
WISC Savings Deposit	108	108	Custodial credit risk
WISC Money Market	349,729	349,729	Credit risk, interest rate risk
TD Ameritrade	461,489	461,489	Not applicable
Local Government Investment Pool	2,651,591	2,651,591	Credit risk, interest rate risk
	<u>\$ 7,422,535</u>	<u>\$ 8,300,324</u>	

A reconciliation of cash and investments as shown on the statements is as follows:

District-Wide Statement of Net Position:	
Cash and investments	\$ 4,405,060
Restricted cash and investments for:	
Capital projects	461,597
Fiduciary funds:	
Employee Benefit Trust Fund	2,329,579
Agency Fund	226,299
	<u>\$ 7,422,535</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

3. Cash and Investments (Continued)

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. 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, 2020, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported on this page. Information on derivatives was not available to the District.

Investment allocation in the LGIP as of June 30, 2020 was: 93.78% in U.S. Government Securities, 1.74% in Certificates of Deposit and Bankers' Acceptances, and 4.48% in Commercial Paper and Corporate Notes. The Wisconsin State Treasurer updates the investment allocations on a monthly basis.

Investments Authorized by Wisconsin State Statutes

Investment of District funds is restricted by state statutes. Available investments are limited to:

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

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

3. Cash and Investments (Continued)

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 sensitivity its fair value has to changes in market interest rates. The District's investment policy minimizes this risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby, avoiding the need to sell securities on the open market prior to maturity.

Investment Type	Investment Maturities				
	Fair Value	Less Than 6 Months	6 Months to 1 Year	1 Year to 3 Years	More Than 3 Years
Local Government Investment Pool	\$ 2,651,591	\$ 2,651,591	\$ -	\$ -	\$ -
Employee Benefit Trust Investments	1,659,519	-	-	-	1,659,519
WISC Money Market	349,729	349,729	-	-	-
Total	\$ 4,660,840	\$ 3,001,321	\$ -	\$ -	\$ 1,659,519

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. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has an investment policy that limits investments to only those authorized under Wisconsin Statute 66.060.

Investment	Rating	Fair Value
WISC Money Market	S&P - AAAM	\$ 349,729
Local Investment Pool	Unrated	2,651,591
Total		\$ 3,001,320

Concentration of Credit Risk

The District does not have a policy for concentration of credit risk. No District investment represents 5% or more of the total investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the District would not be able to recover the value of its investment of collateral securities that are in the possession of another party. The District's investment policy eliminates this risk by permitting brokers hold investments only to the extent there is SIPC and excess SIPC coverage available. Securities purchases that exceed available SIPC coverage shall be transferred to the District custodian. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts and \$250,000 for demand deposits accounts. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

3. Cash and Investments (Continued)

As of June 30, 2020, \$2,251,856 of the District’s deposits with financial institutions totaling \$3,185,984 was exposed to custodial risk beyond the FDIC and State Deposit Guarantee Fund coverage described above. Of the amount exposed to custodial credit risk, all deposits are collateralized by securities with a fair value of \$7,071,645. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

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.

	Assets at Fair Value as of June 30, 2020	
	Fair Value	Level 1
Fixed Annuity Trusts	\$ 2,329,579	\$ 2,329,579
Stock Investments	461,489	461,489
Totals	\$ 2,791,068	\$ 2,791,068

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, 2020**

5. Interfund Activity

Due to/Due from Other Funds

Individual fund interfund receivable and payable balances on June 30, 2020 are as follows:

Due To	Amount	Due From	Purpose
Capital Projects	\$ 210,598	General Fund	Construction Costs
Activity Fund	935	General Fund	Reimbursement
General Fund	604,820	Postemployment Employee Benefit Trust	Reimbursement
Food Service Fund	1,205	Employee Benefit Trust Fund	Reimbursement
Subtotal General Fund	<u>817,558</u>		
Totals - Fund Financial Statements	817,558		
Less: Fund Eliminations and Reclassifications	<u>(210,598)</u>		
Total Government-Wide Statement of Net Position	<u>\$ 606,960</u>		

Transfers

The District had the following interfund transfers:

Purpose	Receivable Fund	Payable Fund	Amount
Future capital improvements	Capital Project Fund	General	\$ 100,000
Eliminate fund deficit	Food Service	General	12,466
Move scholarship balances	Special Revenue Trust Fund	Private Benefit Trust	32,292
			<u>\$ 144,758</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

6. Capital Assets

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	Balance 7/1/2019	Additions	Retirements	Transfer	Balance 6/30/2020
Governmental Activities					
Non-Depreciable Capital Assets:					
Land	\$ 2,104,458	\$ -	\$ -	\$ -	\$ 2,104,458
Construction in Progress	3,051,271	42,221,539	-	-	45,272,810
Total Non-Depreciable Capital Assets	5,155,729	42,221,539	-	-	47,377,268
Capital Assets Being Depreciated					
Land Improvements	1,279,241	-	-	-	1,279,241
Buildings and Building Improvements	20,965,617	262,215	-	-	21,227,832
Furniture and Equipment	2,216,709	184,709	-	93,147	2,494,565
Vehicles	2,387,224	90,400	(40,895)	-	2,436,729
Total Capital Assets Being Depreciated	26,848,791	537,324	(40,895)	93,147	27,438,367
Less Accumulated Depreciation					
Land Improvements	(875,629)	(38,130)	-	-	(913,759)
Buildings and Building Improvements	(10,448,334)	(486,930)	-	-	(10,935,264)
Furniture and Equipment	(1,729,052)	(127,683)	-	(93,147)	(1,949,882)
Vehicles	(1,418,800)	(234,059)	40,895	-	(1,611,964)
Total Accumulated Depreciation	(14,471,815)	(886,802)	40,895	(93,147)	(15,410,869)
Capital Assets Being Depreciated, Net of Depreciation	12,376,976	(349,478)	-	-	12,027,498
Total Capital Assets Net of Depreciation	\$ 17,532,705	\$ 41,872,061	\$ -	\$ -	\$ 59,404,766
Business type activities					
Capital Assets Being Depreciated					
Furniture and Equipment	\$ 244,770	\$ 21,114	\$ (16,989)	\$ (93,147)	\$ 155,748
Total Capital Assets Being Depreciated	244,770	21,114	(16,989)	(93,147)	155,748
Less Accumulated Depreciation					
Furniture and Equipment	(220,666)	(1,174)	16,989	93,147	(111,704)
Total Accumulated Depreciation	(220,666)	(1,174)	16,989	93,147	(111,704)
Total Capital Assets Net of Depreciation	\$ 24,104	\$ 19,940	\$ -	\$ -	\$ 44,044

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

6. Capital Assets (Continued)

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 14,919
Vocational Instruction	4,650
Special Education Instruction	790
Other Instruction	5,786
School Building Administration	694
Operations and Maintenance of Plant	231,333
Pupil Transportation Service	223,613
Central Services	12,262
Depreciation not charged to a specific function	392,755
	\$ 886,802

7. Long-term Obligations

Long-term obligations of the District are as follows:

	Balance 7/1/2019	Increase	Decrease	Balance 6/30/2020	Amount Due Within One Year
G.O. Bonds	\$ 24,245,000	\$ 9,500,000	\$ 4,205,000	\$ 29,540,000	\$ 1,130,000
Premium on Debt	1,052,421	472,637	121,298	1,403,760	-
Subtotal G.O. Debt	25,297,421	9,972,637	4,326,298	30,943,760	1,130,000
Capital Leases	118,661	-	41,324	77,337	51,535
Compensated Absences	74,000	6,445	-	80,445	-
Total Long-Term Obligations	\$ 25,490,082	\$ 9,979,082	\$ 4,367,622	\$ 31,101,542	\$ 1,181,535

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, 2020**

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, 2020 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	\$ 430,000	\$ 205,000
General Obligation Refunding Bonds	3/4/2019	3.00-5.00%	3/1/2035	12,770,000	-
General Obligation Refunding Bonds, Series 2019B	3/18/2019	3.25-4.00%	3/1/2039	9,100,000	-
GO Promissory Note	1/6/2020	2.00-4.00%	3/1/2027	7,240,000	925,000
Total General Obligation Debt				<u>\$29,540,000</u>	<u>\$ 1,130,000</u>

The legal debt limit and margin of indebtedness as of June 30, 2020, in accordance with §67.03(1)(b) of the Wisconsin statutes follows:

Debt Limit (10% of \$2,950,288,252)	\$ 295,028,825
Deduct long-term debt applicable to debt margin	<u>29,540,000</u>
Margin of indebtedness	<u>\$ 265,488,825</u>

Aggregate cash flow requirements for the retirement of long-term principal and interest as of June 30, 2020 are as follows:

Year Ended June 30,	Principal	Interest	Total
2021	\$ 1,130,000	\$ 1,104,644	\$ 2,234,644
2022	1,015,000	1,086,144	2,101,144
2023	1,045,000	1,015,869	2,060,869
2024	1,060,000	984,519	2,044,519
2025	1,105,000	942,119	2,047,119
2026-2030	6,675,000	4,047,044	10,722,044
2031-2035	8,890,000	2,621,025	11,511,025
2036-2039	<u>8,620,000</u>	<u>771,550</u>	<u>9,391,550</u>
Totals	<u>\$ 29,540,000</u>	<u>\$12,572,914</u>	<u>\$ 42,112,914</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

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, 2020.

<u>Year Ended June 30,</u>	
2021	\$ 55,367
2022	<u>27,200</u>
Total Payments	82,567
Less: Interest	<u>(5,230)</u>
Minimum Lease Payments	<u><u>\$ 77,337</u></u>

8. Net Position / Fund Balances

Net Position

Net position reported on the government-wide statement of net position at June 30, 2020 includes the following:

Governmental

Capital Assets, Net	\$ 59,404,766
Less: Capital Lease	(77,337)
Less: Long Term Debt, Net of Premium	(30,943,761)
Plus: Unspent Bond Proceeds	<u>6,204,553</u>
Net Investment in Capital Assets	<u><u>\$ 34,588,221</u></u>

Business-Type Activities

Capital Assets, Net	<u>44,044</u>
Net Investment in Capital Assets	<u><u>\$ 44,044</u></u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

8. Fund Balances / Net Position (Continued)

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	\$ 53,757	\$ -	\$ -	\$ -	\$ 53,757
Self-funded insurance	193,736	-	-	-	193,736
Debt Service Funds	-	772,668	-	-	772,668
Special Revenue Trust Fund	-	-	-	489,776	489,776
Long Term Capital Improvement Fund	-	-	-	412,788	412,788
Capital Projects	-	-	6,204,553	-	6,204,553
Community Service Fund	-	-	-	25,459	25,459
Total Restricted:	<u>247,493</u>	<u>772,668</u>	<u>6,204,553</u>	<u>928,023</u>	<u>8,152,737</u>
Committed For:					
CG Schmidt-Athletic Complex	505,993	-	-	-	505,993
HRA employee share of unused high deductible HRA allocations	37,834	-	-	-	37,834
July/August retiree health and dental premiums	58,885	-	-	-	58,885
Total Committed:	<u>602,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>602,712</u>
Assigned For:					
Labor costs incurred prior to recognition of first tax lvey revenue in subsequent year	392,049	-	-	-	392,049
HRA reimbursement from 2020 plan year	235,574	-	-	-	235,574
Facility improvement fund proceeds from sale of vacant land	162,352	-	-	-	162,352
Facility improvement fund proceeds from sale of vacant land	232,285	-	-	-	232,285
3-Year Maintenance Plan-unspent 2019-20 budget fund for New HS greenhouse and future solar project at Spring Hill	145,000	-	-	-	145,000
3-year Maintenance Plan revenue from technology education house project	111,475	-	-	-	111,475
2020-21 Budget Deficit	1,138,911	-	-	-	1,138,911
Total Assigned:	<u>2,417,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,278,735</u>
Unassigned:	4,789,165	-	-	-	4,789,165
Total Fund Balances	<u>\$ 8,057,016</u>	<u>\$ 772,668</u>	<u>\$ 6,204,553</u>	<u>\$ 928,023</u>	<u>\$ 14,823,349</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

9. 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, 2020.

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, 2020, the District has reported a liability of \$22,201, which represents unreported claims which were incurred on or before June 30, 2020, 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, 2020 are as follows:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Estimated claims outstanding July 1	\$ 16,500	\$ 16,500
Current year claims and changes in estimates	198,131	212,944
Claim payments	(192,430)	(212,944)
Estimated claims outstanding June 30	\$ 22,201	\$ 16,500

10. Other Post-Employment Benefits (OPEB) Plan

A. District Sponsored Other Postemployment Benefits

At June 30, 2020, the District's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OEPB liability was determined by an actuarial valuation as of June 30, 2019.

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.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

Employees covered by Benefit Terms

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	38
Active employees	210
	276

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, 2020, the District's average contribution rate was 6.0 percent of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Liability. The District's total OPEB Liability of \$5,417,356 was measured at June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation	2.5 percent
Salary increases	3 percent, average, including inflation
Discount rate	3.5 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, 2019 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 3.50%. 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, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2018	\$ 7,689,963	\$ 2,160,724	\$ 5,529,239
Changes for the year:			
Service cost	519,676	-	519,676
Interest	287,931	-	287,931
Changes of benefit terms	(204,308)	-	(204,308)
Differences between expected and actual experience	(794,878)	-	(794,878)
Changes in assumptions or other inputs	688,281	-	688,281
Contributions - employer	-	575,294	(575,294)
Net investment income	-	33,291	(33,291)
Benefit payments	(543,301)	(543,301)	-
Administrative expense	-	-	-
Net Changes	<u>(46,599)</u>	<u>65,284</u>	<u>(111,883)</u>
Balance at 6/30/2019	<u>\$ 7,643,364</u>	<u>\$ 2,226,008</u>	<u>\$ 5,417,356</u>

There were no changes of benefit terms.

The actuarial valuation was performed as of June 30, 2019. The discount rate was decreased from 3.75% to 3.5% to reflect the 20-year AA municipal bond rate.

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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

		1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Net OPEB Liability	6/30/2019	<u>\$ 5,959,003</u>	<u>\$ 5,417,356</u>	<u>\$ 4,910,551</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

10. 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:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Net OPEB Liability 6/30/2019	\$ 4,761,282	\$ 5,417,356	\$ 6,180,600

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB. For the year ended June 30, 2020, the District recognized OPEB expense of \$ 88,556. At June 30, 2020, 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	\$ 177,279	\$ 706,558
Changes of assumptions or other inputs	611,805	468,300
Net difference between projected and actual earnings on OPEB plan investments	81,082	-
Contributions subsequent to the measurement date	584,205	-
Total	\$ 1,454,371	\$ 1,174,858

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

\$584,205 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, 2020. 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>
2021	\$ (25,226)
2022	(25,228)
2023	(33,256)
2024	(42,040)
2025	(51,708)
Thereafter	(127,234)
Total	<u>\$ (304,692)</u>

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, 2020**

10. 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, 2020 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2019 are as listed below:

Life Insurance Employee Contribution Rates* For the year ended December 31, 2019		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$500 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, 2020, the School District of Wisconsin Dells reported a liability (asset) of \$117,918 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2019 rolled forward to December 31, 2019. 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, 2019, the School District of Wisconsin Dells' proportion was .02769200%, which was an increase of .001211% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the School District of Wisconsin Dells recognized OPEB expense of \$12,753.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

At June 30, 2020, the School District of Wisconsin Dells reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ (5,282)
Net differences between projected and actual earnings on OPEB plan investments	2,225	-
Changes of assumptions	43,500	(12,970)
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,048	(2,337)
Employer contributions subsequent to the measurement date	-	-
Totals	<u>\$ 49,773</u>	<u>\$ (20,589)</u>

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

	Net Deferred Outflows (Inflows) of Resources
Year ended June 30:	<u> </u>
2021	\$ 4,964
2022	4,964
2023	4,724
2024	4,477
2025	3,632
Thereafter	6,423
Total	<u>\$ 29,184</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

Actuarial assumptions. The total OPEB liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2019
Measurement Date of Net OPEB Liability (Asset)	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.74%
Long-Term Expected Rate of Return	4.25%
Discount Rate:	2.87%
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. The Total OPEB Liability for December 31, 2019 is based upon a roll-forward of the liability calculated from the January 1, 2019 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, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2019**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	45%	2.12%
US Long Credit Bonds Bonds	Barclays Long Credit	5%	2.90%
US Mortgages	Barclays MBS	50%	1.53%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return decreased slightly from 5.00% in the prior year to 4.25% in the current year. This change was primarily based on the target asset allocation and capital market expectations. The expected inflation rate also decreased slightly from 2.30% in the prior year to 2.20% in the current year. 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.

Single Discount rate. A single discount rate of 2.87% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 4.22% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 4.10% as of December 31, 2018 to 2.74% as of December 31, 2019. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. 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.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

10. Other Post-Employment Benefits (OPEB) Plan (Continued)

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 2.87 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 (1.87 percent) or 1-percentage-point higher (3.87 percent) than the current rate:

	1% Decrease to Discount Rate (1.87%)	Current Discount Rate (2.87%)	1% Increase to Discount Rate (3.87%)
District's proportionate share of the net OPEB liability (asset)	\$ 162,852	\$ 117,918	\$ 83,752

OPEB plan fiduciary net position. Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>

11. 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 issued a standalone WRS Financial Report, which can be found at <https://etf.wi.gov/about-etf/reports-andstudies/financial-reports-and-statements>.

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.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

11. Pension Plan (Continued)

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.

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>
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)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)

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 \$720,967 in contributions from the employer.

Contribution rates as of June 30, 2020 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

11. Pension Plan (Continued)

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

At June 30, 2020, the District reported a liability (asset) of (\$2,220,384) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2019, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. 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, 2019, the District's proportion was 0.068886073%, which was a decrease of 0.00033926% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$852,972.

At June 30, 2020, 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	\$ 4,214,797	\$ (2,109,224)
Changes of assumptions	173,026	-
Net difference between projected and actual earnings on pension plan investments	-	(4,539,255)
Changes in proportion and difference between District contributions and proportionate share of contributions	24,821	-
District contributions subsequent to the measurement date	457,682	-
Total	<u>\$ 4,870,326</u>	<u>\$ (6,648,479)</u>

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

11. Pension Plan (Continued)

\$457,682 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, 2020. 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>
2021	\$ (658,077)
2022	(494,365)
2023	83,947
2024	(1,167,340)
2025	-
Total	<u>\$ (2,235,835)</u>

Actuarial Assumptions. The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
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. The total pension liability (asset) for December 31, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

11. 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 geometric 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, 2019**

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.0	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Total Core Fund	110	7.5	4.6
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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 (asset) for the current and 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 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). 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 (asset).

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

11. 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:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's proportionate share of the net pension liability (asset)	\$ 5,717,886	\$ (2,220,384)	\$ (8,155,154)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-andstatements>

12. 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.

13. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; 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.

14. 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.

**School District of Wisconsin Dells
Notes to Financial Statements
For the Year Ended June 30, 2020**

15. Subsequent Events

The recent spread of COVID-19 coronavirus created economic uncertainty domestically and internationally. In March 2020 and through the remainder of the 2019/2020 school year, the State of Wisconsin required the closing of schools and in person learning, and school instruction was shifted to virtual platforms.

The full financial impact on the District is unknown. It is anticipated that the impacts of COVID-19 will continue for some time. Future impacts may include changes to student enrollment. Student enrollment factor into calculations for certain state aid revenues and impacts revenue limits. Enrollment changes from COVID-19 could impact multiple school years as certain aid and revenue limit calculations use a three-year enrollment rolling average. Other impacts may include, but are not limited to, continued disruptions of in-person schooling and events, and restrictions on employees' ability to work. Changes to the operating environment are also expected to increase operating costs.

In July 2020, the District entered a new three year equipment lease. Total cost of the lease will be \$72,902 with an annual interest rate of 3.45%.

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, 2020, remaining costs related to the project are estimated to be approximately \$9 million of the total project of about \$54 million.

17. Effect of New Accounting Standards on Current Financial Statements

The Governmental Accounting Standards Board (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.

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

**Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
	REVENUES			
Local	\$ 17,422,983	\$ 16,422,318	\$ 16,410,593	\$ (11,725)
Interdistrict	829,357	776,032	780,230	4,198
Intermediate	24,705	21,764	21,764	-
State	3,222,007	4,031,635	4,032,479	844
Federal	587,026	634,047	563,122	(70,925)
Other	52,600	85,000	53,908	(31,092)
Total Revenues	<u>22,138,678</u>	<u>21,970,796</u>	<u>21,862,096</u>	<u>(108,700)</u>
EXPENDITURES				
Instruction				
Regular Instruction	3,129,188	10,182,473	10,092,345	90,128
Vocational Instruction	69,553	494,037	479,765	14,272
Other Instruction	231,168	1,370,429	1,310,793	59,636
Support Services				
Pupil Services	118,570	507,749	482,991	24,758
Instructional Staff Services	1,131,332	1,326,625	1,142,403	184,222
General Administration Services	526,996	441,129	423,456	17,673
Building Administration Services	1,158,591	1,172,813	1,148,323	24,490
Business Services	312,461	316,443	319,410	(2,967)
Operations and Maintenance	2,245,573	2,200,683	2,029,273	171,410
Pupil Transportation	829,819	765,747	715,851	49,896
Central Services	47,815	67,274	61,940	5,334
Insurance	194,520	298,890	278,237	20,653
Other Support Services	533,023	592,811	591,116	1,695
Adjustments and Refunds	5,000	25,000	24,912	88
Debt Service				
Principal Repayment	69,030	41,325	41,324	1
Interest Expense	-	5,305	5,304	1
Total Expenditures	<u>10,602,639</u>	<u>19,808,733</u>	<u>19,147,443</u>	<u>661,290</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>11,536,039</u>	<u>2,162,063</u>	<u>2,714,653</u>	<u>552,590</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,041,916)	(2,100,636)	(2,028,466)	72,170
Proceeds from Sale of Fixed Asset	5,000	5,000	-	(5,000)
Proceeds from Debt	81,846	-	-	-
Total Other Financing Sources and Uses	<u>(1,955,070)</u>	<u>(2,095,636)</u>	<u>(2,028,466)</u>	<u>67,170</u>
Net Change in Fund Balances	9,580,969	66,427	686,187	619,760
Fund Balances - Beginning	7,370,829	7,370,829	7,370,829	-
Fund Balances - Ending	<u>\$ 16,951,798</u>	<u>\$ 7,437,256</u>	<u>\$ 8,057,016</u>	<u>\$ 619,760</u>

See notes to required supplementary information.

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

**Budgetary Comparison Schedule
Special Education Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intermediate	\$ 30,000	\$ 45,350	\$ 45,350	\$ -
State	580,691	541,792	541,792	-
Federal	540,316	461,415	389,490	(71,925)
Total Revenues	<u>1,151,007</u>	<u>1,048,557</u>	<u>976,632</u>	<u>(71,925)</u>
EXPENDITURES				
Instruction				
Special Education Instruction	1,223,274	2,393,777	2,359,776	34,001
Support Services				
Pupil Services	28,548	274,013	266,584	7,429
Instructional Staff Services	208,415	198,556	174,565	23,991
General Administration	4,500	3,500	-	3,500
Operation and Maintenance of Plant	1,500	150	150	-
Pupil Transportation	117,488	96,514	88,884	7,630
Central Services	5,700	7,683	2,673	5,010
Total Expenditures	<u>1,589,425</u>	<u>2,974,193</u>	<u>2,892,632</u>	<u>81,561</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(438,418)</u>	<u>(1,925,636)</u>	<u>(1,916,000)</u>	<u>9,636</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,936,916	1,925,636	1,916,000	(9,636)
Total Other Financing Sources (Uses)	<u>1,936,916</u>	<u>1,925,636</u>	<u>1,916,000</u>	<u>(9,636)</u>
Net Change in Fund Balances	1,498,498	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ 1,498,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

**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, 2020**

	General Fund	Special Education Fund
A) Sources/Inflows of Resources:		
Actual amounts "total revenues" from the budgetary comparison schedules	\$ 21,862,096	\$ 976,632
Reclassification:		
Special education fund revenues are reclassified to the general fund, required for GAAP reporting	976,632	(976,632)
The general fund revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	\$ 22,838,728	\$ -
B) Uses/Outflows of Resources:		
Actual amounts "total expenditures" from the budgetary comparison schedules	\$ 19,147,443	\$ 2,892,632
Reclassification:		
Special education fund expenditures are reclassified to the general fund, required for GAAP reporting	2,892,632	(2,892,632)
The general fund expenditures as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	\$ 22,040,075	\$ -

See notes to required supplementary information.

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, 2020

	2020	2019	2018	2017
Total OPEB Liability				
Service costs	\$ 519,676	\$ 540,236	\$ 525,604	\$ 525,604
Interest	287,931	265,138	231,025	227,144
Changes in benefit terms	(204,308)	-	-	-
Differences between expected and actual experience	(794,878)	-	253,254	-
Changes of assumptions or other inputs	688,281	(119,750)	(532,142)	-
Benefit payments	(543,301)	(601,844)	(619,178)	(627,611)
Net change in total OPEB	(46,599)	83,780	(141,437)	125,137
Total OPEB Liability - beginning	7,689,963	7,606,183	7,747,620	7,622,483
Total OPEB Liability - ending (a)	\$ 7,643,364	\$ 7,689,963	\$ 7,606,183	\$ 7,747,620
Fiduciary Net Position				
Contributions - Employer	\$ 575,294	\$ 601,844	\$ 819,178	\$ 827,611
Net investment income	33,291	30,636	29,850	30,912
Benefit payments	(543,301)	(601,844)	(619,178)	(627,611)
Administrative expense	-	-	-	-
Net change in fiduciary net position	\$ 65,284	\$ 30,636	\$ 229,850	\$ 230,912
Fiduciary net position - beginning	2,160,724	2,130,088	1,900,238	1,669,326
Fiduciary net position - ending (b)	\$ 2,226,008	\$ 2,160,724	\$ 2,130,088	\$ 1,900,238
Net OPEB Liability				
Net OPEB Liability - ending (a) - (b)	\$ 5,417,356	\$ 5,529,239	\$ 5,476,095	\$ 5,847,382
Fiduciary net position as a percentage of the total OPEB liability	29.12%	28.10%	28.00%	24.53%
Covered payroll	\$ 10,228,701	\$ 9,871,526	\$ 9,871,526	\$ 9,361,419
Net OPEB liability as a percentage of covered payroll	52.96%	56.01%	55.47%	62.46%

See notes to required supplementary information.

**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, 2020**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contribution (ADC)	\$ 856,887	\$ 856,887	\$ 777,243	\$ 777,243
Contributions in Relation to the ADC	575,294	601,844	819,178	827,611
Contribution Deficiency/(Excess)	<u>\$ 281,593</u>	<u>\$ 255,043</u>	<u>\$ (41,935)</u>	<u>\$ (50,368)</u>
 Covered-Employee Payroll	 \$ 10,228,701	 \$ 9,871,526	 \$ 9,871,526	 \$ 9,361,419
 Contributions as a Percentage of Covered-Employee Payroll	 5.62%	 6.10%	 8.30%	 8.84%

See notes to required supplementary information.

**School District of Wisconsin Dells
Local Retiree Life Insurance Fund
June 30, 2020**

**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)
2019	0.02769200%	\$ 117,918	\$ 694,000	16.99%	37.58%
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
2020	\$ 615	\$ (615)	-	\$ 773,000	0.08%
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.*

See notes to required supplementary information.

**School District of Wisconsin Dells
Wisconsin Retirement System
June 30, 2020**

**Schedule of District's 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)
2019	0.06886073%	\$ (2,220,384)	\$ 11,007,142	(20.17%)	102.96%
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
2020	\$ 748,036	(748,036)	-	\$ 11,189,121	6.69%
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 Required Supplementary Information
For the Year Ended June 30, 2020

1. 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.

2. Excess of Actual Expenditures over Budget

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

3. 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 4 preceding years.

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

Change of Assumptions. No significant change in assumptions were noted from the prior year.

School District of Wisconsin Dells
Notes to Required Supplementary Information
For the Year Ended June 30, 2020

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 7 preceding years.

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

Changes of Assumptions. Several actuarial assumptions changed from the prior year, including the single discount rate, long-term expected rate of return and expected inflation. Please refer to the Actuarial Assumptions section above for additional details.

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

**Combining Balance Sheet
General Fund
June 30, 2020**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
Assets				
Cash and investments	\$ 2,549,648	\$ (10,883)	\$ -	\$ 2,538,765
Receivables:				
Taxes	6,951,412	-	-	6,951,412
Accounts	22,395	-	-	22,395
Due from other funds	589,766	15,054	-	604,820
Due from other governments	202,315	85,041	-	287,356
Total assets	<u>\$ 10,315,536</u>	<u>\$ 89,212</u>	<u>\$ -</u>	<u>\$ 10,404,748</u>
Liabilities				
Accounts payable	\$ 408,478	\$ -	\$ -	\$ 408,478
Accrued liabilities				
Payroll and related liabilities	1,553,867	89,212	-	1,643,079
Self-fund dental benefits deposits	34,423	-	-	34,423
Dental benefit claims payable	22,201	-	-	22,201
Due to other funds	211,533	-	-	211,533
Deposits payable	28,018	-	-	28,018
Total liabilities	<u>2,258,520</u>	<u>89,212</u>	<u>-</u>	<u>2,347,732</u>
Fund balances				
Restricted	247,493	-	-	247,493
Committed	602,712	-	-	602,712
Assigned	2,417,646	-	-	2,417,646
Unassigned	4,789,165	-	-	4,789,165
Total fund balances	<u>8,057,016</u>	<u>-</u>	<u>-</u>	<u>8,057,016</u>
Total liabilities and fund balances	<u>\$ 10,315,536</u>	<u>\$ 89,212</u>	<u>\$ -</u>	<u>\$ 10,404,748</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, 2020**

	General Fund	Special Education Fund	Elimination	Total Combined General Fund
REVENUES				
Local	\$ 16,410,593	\$ -	\$ -	\$ 16,410,593
Interdistrict	780,230	-	-	780,230
Intermediate	21,764	45,350	-	67,114
State	4,032,479	541,792	-	4,574,271
Federal	563,122	389,490	-	952,612
Other	53,908	-	-	53,908
Total Revenues	<u>21,862,096</u>	<u>976,632</u>	<u>-</u>	<u>22,838,728</u>
EXPENDITURES				
Instruction:				
Regular Instruction	10,092,345	-	-	10,092,345
Special Education Instruction	-	2,359,776	-	2,359,776
Vocational Instruction	479,765	-	-	479,765
Other Instruction	1,310,793	-	-	1,310,793
Support Services:				
Pupil Services	482,991	266,584	-	749,575
Instructional Staff Services	1,142,403	174,565	-	1,316,968
General Administration Services	423,456	-	-	423,456
Building Administration Services	1,148,323	-	-	1,148,323
Business Services	319,410	-	-	319,410
Operation and Maintenance of Plant	2,029,273	150	-	2,029,423
Pupil Transportation	715,851	88,884	-	804,735
Central Services	61,940	2,673	-	64,613
Insurance	278,237	-	-	278,237
Other Support Services	591,116	-	-	591,116
Adjustments and Refunds	24,912	-	-	24,912
Debt Service:				
Principal Repayment	41,324	-	-	41,324
Interest Expense	5,304	-	-	5,304
Total Expenditures	<u>19,147,443</u>	<u>2,892,632</u>	<u>-</u>	<u>22,040,075</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,714,653</u>	<u>(1,916,000)</u>	<u>-</u>	<u>798,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,028,466)	-	1,916,000	(112,466)
Transfers In	-	1,916,000	(1,916,000)	-
Total Other Financing Sources (Uses)	<u>(2,028,466)</u>	<u>1,916,000</u>	<u>-</u>	<u>(112,466)</u>
Net Change in Fund Balances	686,187	-	-	686,187
Fund Balance - Beginning	7,370,829	-	-	7,370,829
Fund Balance - Ending	<u>\$ 8,057,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,057,016</u>

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

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020**

	Special Revenue Trust Fund	Capital Improvements Fund	Community Service Fund	Title VI Native American Fund	Total Non-Major Governmental Funds
ASSETS					
Cash and Investments	\$ 489,800	\$ 412,788	\$ 25,459	\$ (8,300)	\$ 919,747
Due from Other Governments	-	-		8,300	8,300
Total Assets	\$ 489,800	\$ 412,788	\$ 25,459	\$ -	\$ 928,047
LIABILITIES					
Accrued Liabilities	\$ 24	-	-	-	\$ 24
Total Liabilities	24	-	-	-	24
FUND BALANCES					
Restricted	489,776	412,788	25,459	-	928,023
Total Fund Balances	489,776	412,788	25,459	-	928,023
Total Liabilities and Fund Balances	\$ 489,800	\$ 412,788	\$ 25,459	\$ -	\$ 928,047

**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, 2020**

	<u>Special Revenue Trust Fund</u>	<u>Capital Improvements Fund</u>	<u>Community Service Fund</u>	<u>Title VI Native American Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES					
Local	\$ 226,770	\$ 6,745	\$ -	\$ -	\$ 233,515
Federal	-	-	-	14,016	14,016
Total Revenues	<u>226,770</u>	<u>6,745</u>	<u>-</u>	<u>14,016</u>	<u>247,531</u>
EXPENDITURES					
Instruction:					
Regular Instruction	1,258	-	-	1,410	2,668
Vocational Instruction	2,386	-	-	-	2,386
Other Instruction	27,562	-	-	-	27,562
Support Services:					
Pupil Services	2,250	-	-	-	2,250
Instructional Staff Services	-	-	-	12,606	12,606
General Administration Services	25	-	-	-	25
Operation and Maintenance of Plant	5,015	-	-	-	5,015
Pupil Transportation	4,550	-	-	-	4,550
Non-program Services	6,500	-	-	-	6,500
Total Expenditures	<u>49,546</u>	<u>-</u>	<u>-</u>	<u>14,016</u>	<u>63,562</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>177,224</u>	<u>6,745</u>	<u>-</u>	<u>-</u>	<u>183,969</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	32,292	100,000	-	-	132,292
Total Other Financing Sources (Uses)	<u>32,292</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>132,292</u>
Net Change in Fund Balances	209,516	106,745	-	-	316,261
Fund Balances - Beginning	280,260	306,043	25,459	-	611,762
Fund Balances - Ending	<u>\$ 489,776</u>	<u>\$ 412,788</u>	<u>\$ 25,459</u>	<u>\$ -</u>	<u>\$ 928,023</u>