

SCHOOL DISTRICT OF WISCONSIN DELLS

FINANCIAL STATEMENTS

JUNE 30, 2018

(AUDITED)

SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN

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FINANCIAL SECTION

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC
CERTIFIED PUBLIC ACCOUNTANTS
611 E WISCONSIN ST
PORTAGE, WISCONSIN
53901

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Wisconsin Dells (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2018, 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.

Emphasis of Matter

As described in Note 9 to the financial statements, the District adopted new accounting guidance, GASB Statement No. 74, *Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans*, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13, and the budgetary comparison, schedules for pension related items and postemployment benefit plan information on pages 59 through 65 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 an opinion on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as other supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards is also presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines*, and is also not a required part of the basic financial statements.

The other supplementary information listed above and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 have also issued our report dated November 30, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
November 30, 2018

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

The discussion and analysis of School District of Wisconsin Dells' financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. 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 decreased by \$62,236 from the prior year. The change includes an decrease of \$89,730 in governmental activities and an increase of \$27,494 in business-type activities.
- In governmental funds, total fund balance increased by \$396,569.
- Total District revenues were \$21,953,222, including \$16,997,060 in property taxes, \$4,630,290 federal and state aid and other grants and contributions, \$181,263 charges for services, and \$145,209 in other revenues.
- Total District expenditures were \$22,175,291, including \$13,691,085 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.
- The District made a second contribution of \$100,000 to the Fund 46 Long-term Capital Improvement Trust Fund. This fund will be used for the purposes identified in the Board approved long-term capital improvement plan.

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.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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.
- 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 16. 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 18.
- 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 19 and a Statement of Revenues, Expenses and Changes in Net Position on page 20. In addition, the District provides a Statement of Cash Flows on page 21 for any proprietary fund.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

2. Fund Financial Statements (Continued)

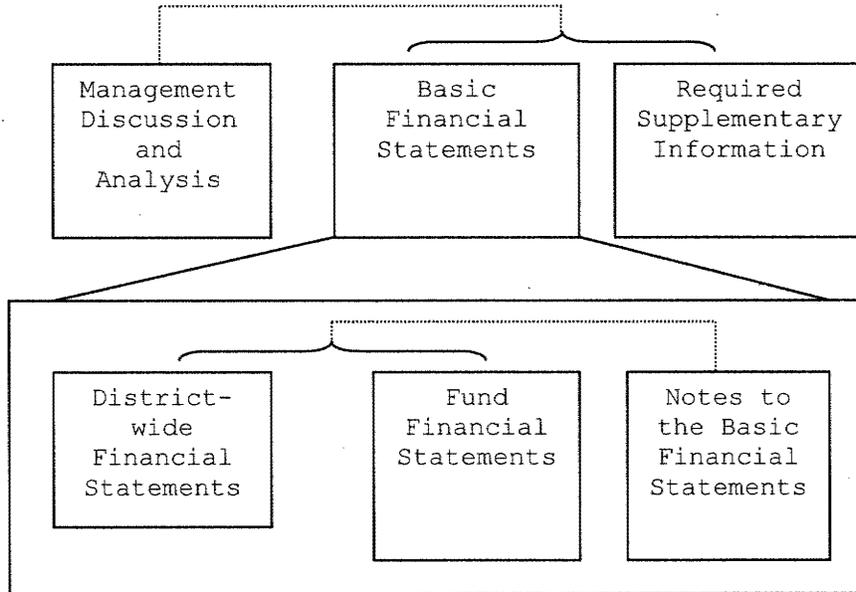
- Fiduciary funds - The District is the trustee, or fiduciary, for student organizations. The assets of these organizations belong to the organization and not the District. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only 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.

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
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

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
Fund Statements

	District-wide Financial 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
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE

Table 1 provides a summary of the District's net position at June 30, 2018, compared to June 30, 2017.

Table 1
Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total School District</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Assets						
Current and Other Assets	\$ 9,874,128	\$ 10,464,289	\$ 176,773	\$ 138,789	\$ 10,050,901	\$ 10,603,078
Net NonCurrent Assets	13,269,041	13,608,767	25,305	28,843	\$ 13,294,346	13,637,610
Other Non Current Assets	2,057,682	-	53,615	-	\$ 2,111,297	-
Deferred Outflows						
Pension related outflows of resources	5,664,802	4,740,490	147,602	127,429	\$ 5,812,404	4,867,919
OPEB related outflows of resources	872,295	819,178	-	-	872,295	819,178
Total assets and Deferred Outflows	\$31,737,948	\$ 29,632,724	\$ 403,295	\$295,061	\$ 32,141,243	\$ 29,927,785
Liabilities						
Current and Other Liabilities	\$ 2,186,576	\$ 3,173,306	\$ 28,309	\$ 30,183	\$ 2,214,885	\$ 3,203,489
Long-term Liabilities	6,294,998	7,375,121	-	15,642	6,294,998	7,390,763
Total Liabilities	\$ 8,481,574	\$ 10,548,427	\$ 28,309	\$ 45,825	\$ 8,509,883	\$ 10,594,252
Deferred Inflows of Resources						
Pension related inflows of resources	6,256,463	2,409,178	163,018	64,762	\$ 6,419,481	\$ 2,473,940
OPEB related inflows of resources	480,101	-	-	-	\$ 480,101	\$ -
Net Position						
Net Investment in Capital Assets	\$12,434,041	\$ 12,573,767	\$ 25,305	\$ 28,843	\$ 12,459,346	\$ 12,602,610
Restricted	2,529,910	2,647,183	186,663	155,631	2,716,573	2,802,814
Unrestricted	1,555,859	1,454,169	-	-	1,555,859	1,454,169
Total Net Position	\$16,519,810	\$ 16,675,119	\$ 211,968	\$184,474	\$ 16,731,778	\$ 16,859,593

In governmental activities, the largest portion 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. 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 16.24% 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 \$415,915 for debt service.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE (CONTINUED)

Table 2 shows the changes in net position for the fiscal years 2018 and 2017.

Table 2
Change in Net Position

	Governmental Activities		Business-type Activities		Total School District	
	2018	2017	2018	2017	2018	2017
General Revenues						
Property Taxes	\$ 16,997,060	\$ 17,033,707	\$ -	\$ -	\$ 16,997,060	\$ 17,033,707
Federal and State Aid	2,234,279	1,721,190	-	-	2,234,279	1,721,190
Other	145,209	97,153	-	-	145,209	97,153
Total General Revenues	19,376,548	18,852,050	-	-	\$ 19,376,548	\$ 18,852,050
Program Revenues						
Charges for services	181,263	159,486	288,374	272,276	\$ 469,637	\$ 431,762
Operating Grants & Contributions	2,395,411	2,358,825	\$ 560,249	\$ 547,801	\$ 2,955,660	\$ 2,906,626
Total Program Revenues	2,576,674	2,518,311	848,623	820,077	\$ 3,425,297	\$ 3,338,388
Total Revenues	\$ 21,953,222	\$ 21,370,361	\$ 848,623	\$ 820,077	\$ 22,801,845	\$ 22,190,438
Program Expenses						
Instruction	\$ 13,691,085	\$ 13,276,783	\$ -	\$ -	\$ 13,691,085	\$ 13,276,783
Pupil & Instructional Service	1,876,268	1,957,583	-	-	1,876,268	1,957,583
Administration & Finance	1,863,795	1,957,218	-	-	1,863,795	1,957,218
Maintenance & Operations	2,026,313	2,035,810	-	-	2,026,313	2,035,810
Transportation	741,672	721,325	-	-	741,672	721,325
Community Service	3,931	8,004	-	-	3,931	8,004
Interest on Debt	47,325	57,132	-	-	47,325	57,132
Other	1,924,902	1,381,192	-	-	1,924,902	1,381,192
Food Service Program	-	-	821,129	819,584	821,129	819,584
Total Expenses	\$ 22,175,291	\$ 21,395,047	\$ 821,129	\$ 819,584	22,996,420	22,214,631
Gain (Loss) on Disposal	132,339	108,987	0	0	132,339	108,987
Change in Net Position	\$ (89,730)	\$ 84,301	\$ 27,494	\$ 493	\$ (62,236)	\$ 84,794

Governmental Activities

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

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

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

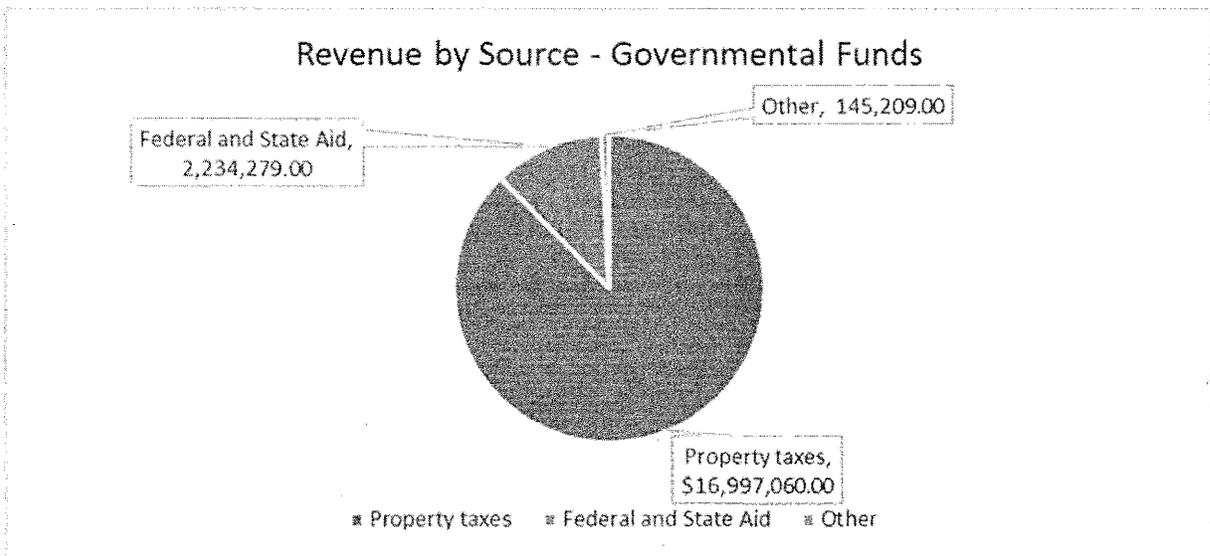
**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE (CONTINUED)

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

Property taxes	\$ 16,997,060.00	87.72%
Federal and State Aid	2,234,279.00	11.53%
Other	145,209.00	0.75%
Total General Revenues	\$ 19,376,548.00	100.00%



Governmental Funds

As of June 30, 2018, the District's governmental funds reported combined ending fund balance of \$7,897,552, an increase of \$396,569 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, 2017	June 30, 2018	Change	Change (%)
General	\$ 6,766,981.00	\$ 7,025,367.00	\$ 258,386.00	3.82%
Debt Service	415,569.00	415,918.00	349.00	0.08%
Other Governmental	318,433.00	456,267.00	137,834.00	43.29%
Total	\$ 7,500,983.00	\$ 7,897,552.00	\$ 396,569.00	5.29%

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF DISTRICT AS A WHOLE (CONTINUED)

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 59 through 60.

General Fund

- General fund revenues were less than the budget by \$196,961
- General fund expenditures were less than the budget by \$332,132

Debt Service Fund

- Debt Service fund revenues were more than the budget by \$4
- Debt Service fund expenditures were less than the budget by \$40

CAPITAL ASSETS

At June 30, 2018, the District had \$13,294,346 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of \$343,264, or 2.52% from last year.

Table 4
Governmental Activities
Capital Assets - Net of Depreciation

	Governmental Activities		Business-type Activities		Total School District	
	2018	2017	2018	2017	2018	2017
Non-Depreciable Capital Assets (Land)	\$ 769,058.00	\$ 780,748.00	\$ 0	\$ 0	\$ 769,058.00	\$ 780,748.00
Capital Assets Being Depreciated	30,393,881.00	29,965,351.00	244,770.00	244,770.00	30,638,651.00	30,210,121.00
Accumulated Depreciation	(17,893,898.00)	(17,137,332.00)	(219,465.00)	(215,927.00)	(18,113,363.00)	(17,353,259.00)
	\$ 13,269,041.00	\$ 13,608,767.00	\$ 25,305.00	\$ 28,843.00	\$ 13,294,346.00	\$ 13,637,610.00

During the fiscal year, the District purchased two new school buses and two SUVs to transport students. The District reroofed the bus garage and installed a Solar PV system and upgraded the HVAC. The District also replaced the flooring in the high school weight room and upgraded equipment. More details about the District's capital assets is included in Note 4 to the financial statements.

LONG-TERM OBLIGATIONS

As of July 1, 2017, the District had total outstanding bond principal of \$1,035,000. During the year, the District made payments against principal of \$200,000 resulting in ending outstanding general obligation debt as of June 30, 2018, of \$835,000.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

LONG-TERM OBLIGATIONS (CONTINUED)

Table 5
Outstanding Long-Term Obligations

	2018	2017	% Change
General Obligation Debt	\$ 835,000	\$ 1,035,000	-19.32%
Vested Employee Benefits	110,650	120,841	-8.43%
Total Long-Term Obligations	\$ 945,650	\$ 1,155,841	-18.19%

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

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

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

- The state's revenue limit formula restricts growth in state general equalization aid and property taxes, which accounts for a majority of the District's operating revenues. The District is allowed to increase its revenue limit based on a per pupil adjustment determined by State Statutes utilizing average student enrollment over a three year period. The District's three year student average for revenue limit purposes decreased by eight (8) full time equivalency (FTE) for 2017-2018. The three year average increased by twenty-five (25) FTE for 2018-2019. A study performed by Applied Population Lab at the University of Wisconsin-Madison projects that our enrollment will continue to increase over the next five years.
- The District continues to see an increase in the number of students opting to open enroll to other districts. The number of students attending in the District through open enrollment remains relatively unchanged. The number of students leaving the District exceeds the number coming into the District.
- The Board of Education and administration continue to discuss the District's short-term and long-term facility needs. The electorate of the District passed a \$33,685,000 referendum on November 6, 2018, to build a new high school. The impact of the referendum on the debt service levy for 2018-19 is 86 cents per thousand dollars of equalized property value.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018**

FACTORS BEARING ON THE DISTRICT'S FUTURE AND NEXT YEAR'S BUDGETS AND RATES (CONTINUED)

Next Year's Budget:

The revenue budget for the 2018-2019 year is \$1,076,653 more than the actual revenues for 2017-2018. This represents a 5.18% increase in budgeted revenues. The expenditure budget for the 2018-2019 year is \$1,593,423 more than the actual expenditures for 2017-2018, or a 7.77% increase.

The comparison of revenue and expenditure categories is as follows:

Table 6

BUDGETED REVENUES

	2018-2019	2017-2018
Local	78.16%	81.43%
Other Districts/Intermediate	3.40%	3.15%
State	14.76%	11.67%
Federal	2.36%	2.57%
Financing/Other	1.32%	1.18%
	100.00%	100.00%

BUDGETED EXPENDITURES

	2018-2019	2017-2018
Instruction	47.64%	49.01%
Support Services	37.24%	33.78%
Non-Program Transactions	6.60%	8.35%
Fund Transfers	8.52%	8.86%
	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.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and investments	\$ 2,790,769	\$ 174,986	\$ 2,965,755
Receivables			
Taxes	6,042,246		6,042,246
Accounts	725,338	1,705	727,043
Due from other governments	315,775	82	315,857
Total Current Assets	<u>9,874,128</u>	<u>176,773</u>	<u>10,050,901</u>
Noncurrent Assets			
Land	769,058		769,058
Site improvements	1,044,811		1,044,811
Buildings	20,603,733		20,603,733
Vehicles	2,318,354		2,318,354
Furniture and equipment	6,426,983	244,770	6,671,753
Less accumulated depreciation	<u>(17,893,898)</u>	<u>(219,465)</u>	<u>(18,113,363)</u>
Net Noncurrent Assets	<u>13,269,041</u>	<u>25,305</u>	<u>13,294,346</u>
Other Noncurrent Assets			
Net pension asset	<u>2,057,682</u>	<u>53,615</u>	<u>2,111,297</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related outflows of resources	5,664,802	147,602	5,812,404
OPEB related outflows of resources	<u>872,295</u>		<u>872,295</u>
Total Deferred Outflows of Resources	<u>6,537,097</u>	<u>147,602</u>	<u>6,684,699</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 31,737,948</u>	<u>\$ 403,295</u>	<u>\$ 32,141,243</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 237,778	\$ 0	\$ 237,778
Accrued liabilities			
Payroll, payroll taxes, insurance	1,562,905	19,762	1,582,667
Self-funded dental benefits deposits payable	33,026		33,026
Dental benefits claims payable	16,500		16,500
Unearned revenue	126,367	8,547	134,914
Current portion of long-term obligations	<u>210,000</u>		<u>210,000</u>
Total Current Liabilities	<u>2,186,576</u>	<u>28,309</u>	<u>2,214,885</u>
Noncurrent Liabilities			
Noncurrent portion of long-term obligations	735,650		735,650
Net OPEB liability	<u>5,559,348</u>		<u>5,559,348</u>
Total Noncurrent Liabilities	<u>6,294,998</u>	<u>0</u>	<u>6,294,998</u>
Total Liabilities	<u>8,481,574</u>	<u>28,309</u>	<u>8,509,883</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related inflows of resources	6,256,463	163,018	6,419,481
OPEB related inflows of resources	<u>480,101</u>		<u>480,101</u>
Total Deferred Inflows of resources	<u>6,736,564</u>	<u>163,018</u>	<u>6,899,582</u>
NET POSITION			
Net investment in capital assets	12,434,041	25,305	12,459,346
Restricted	2,529,910	186,663	2,716,573
Unrestricted (deficit)	<u>1,555,859</u>		<u>1,555,859</u>
Total Net Position	<u>16,519,810</u>	<u>211,968</u>	<u>16,731,778</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 31,737,948</u>	<u>\$ 403,295</u>	<u>\$ 32,141,243</u>

See Accompanying Notes to the Basic Financial Statements

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Instruction						
Regular instruction	\$ 9,811,563	\$ 44,885	\$ 1,066,339	\$ (8,700,339)	\$ 0	\$ (8,700,339)
Vocational instruction	416,871	1,301	14,767	(400,803)		(400,803)
Special education instruction	2,540,312	8,229	718,605	(1,813,478)		(1,813,478)
Other instruction	922,339	30,949		(891,390)		(891,390)
Total Instruction	13,691,085	85,364	1,799,711	(11,806,010)	0	(11,806,010)
Support Services						
Pupil services	768,453	1,567	75,998	(690,888)		(690,888)
Instructional staff services	1,107,815		280,229	(827,586)		(827,586)
General administration services	411,893			(411,893)		(411,893)
Building administration services	1,138,478			(1,138,478)		(1,138,478)
Business services	313,424			(313,424)		(313,424)
Operations and maintenance	2,026,313		139	(2,026,174)		(2,026,174)
Pupil transportation	741,672		188,945	(552,727)		(552,727)
Central services	713,587	94,332	5,808	(613,447)		(613,447)
Insurance	170,839			(170,839)		(170,839)
Interest on debt	47,325		43,431	(3,894)		(3,894)
Community services	3,931			(3,931)		(3,931)
Other support services	550,942		1,150	(549,792)		(549,792)
Depreciation - unallocated*	489,534			(489,534)		(489,534)
Total Support Services	8,484,206	95,899	595,700	(7,792,607)	0	(7,792,607)
Total Governmental Activities	22,175,291	181,263	2,395,411	(19,598,617)	0	(19,598,617)
Business-Type Activities						
School food service program	821,129	288,374	560,249	0	27,494	27,494
TOTAL SCHOOL DISTRICT	\$ 22,996,420	\$ 469,637	\$ 2,955,660	(19,598,617)	27,494	(19,571,123)
General Revenues						
Property taxes						
General purposes				16,797,060		16,797,060
Debt services				200,000		200,000
State and federal aids not restricted to specific functions						
General				717,831		717,831
Other				1,516,448		1,516,448
Interest and investment earnings				39,317		39,317
Miscellaneous				105,892		105,892
Special and Extraordinary Items						
Gain on disposal of assets				132,339		132,339
Total General Revenues				19,508,887	0	19,508,887
Change in Net Position				(89,730)	27,494	(62,236)
NET POSITION - Beginning of Year, As Restated				16,609,540	184,474	16,794,014
NET POSITION - END OF YEAR				\$ 16,519,810	\$ 211,968	\$ 16,731,778

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

FUND FINANCIAL STATEMENTS

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 2,018,543	\$ 415,918	\$ 356,308	\$ 2,790,769
Receivables				
Taxes	6,042,246			6,042,246
Accounts	725,338			725,338
Due from other funds	5,623		100,000	105,623
Due from other governments	310,152		5,623	315,775
TOTAL ASSETS	\$ 9,101,902	\$ 415,918	\$ 461,931	\$ 9,979,751
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 237,778	\$ 0	\$ 0	\$ 237,778
Accrued liabilities				
Payroll, payroll taxes, insurance	1,562,864		41	1,562,905
Self-funded dental benefits deposits payable	33,026			33,026
Dental benefit claims payable	16,500			16,500
Due to other funds	100,000		5,623	105,623
Unearned revenue	126,367			126,367
Total Liabilities	<u>2,076,535</u>	<u>0</u>	<u>5,664</u>	<u>2,082,199</u>
Fund Balances				
Restricted	191,704	415,918	456,267	1,063,889
Committed	369,671			369,671
Assigned	758,669			758,669
Unassigned	5,705,323			5,705,323
Total Fund Balances	<u>7,025,367</u>	<u>415,918</u>	<u>456,267</u>	<u>7,897,552</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,101,902	\$ 415,918	\$ 461,931	\$ 9,979,751
Total fund balance reported on governmental funds balance sheet				\$ 7,897,552
Total net position reported for governmental activities in the statement of net position are different from the amount reported above as total governmental funds fund balance because:				
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Governmental capital asset			31,162,939	
Governmental accumulated depreciation			(17,893,898)	13,269,041
Pension related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Net pension asset (liability)			2,057,682	
Pension related deferred outflows			5,664,802	
Pension related deferred inflows			(6,256,463)	1,466,021
OPEB related assets and liabilities are not financial resources and therefore, are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:				
Net OPEB asset (liability), Including LRLIF			(5,559,348)	
OPEB deferred outflows, Including LRLIF			872,295	
OPEB deferred inflows, Including LRLIF			(480,101)	(5,167,154)
Long-term liabilities, including bonds and notes payable, are not due in the current period and therefore, are not reported in the fund statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:				
General obligation debt			(835,000)	
Vested employee benefits			(110,650)	(945,650)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES				\$ 16,519,810

See Accompanying Notes to the Basic 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, 2018

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 16,797,060	\$ 200,000	\$ 0	\$ 16,997,060
Other local sources	122,731	4,243	90,444	217,418
Interdistrict sources	630,893			630,893
Intermediate sources	40,942			40,942
State sources	2,946,021			2,946,021
Federal sources	970,337		5,623	975,960
Other sources	101,497	43,431		144,928
Total Revenues	<u>21,609,481</u>	<u>247,674</u>	<u>96,067</u>	<u>21,953,222</u>
EXPENDITURES				
Instruction				
Regular instruction	9,556,622		19,987	9,576,609
Vocational instruction	393,933			393,933
Special instruction	2,490,961			2,490,961
Other instruction	911,037		23,661	934,698
Total Instruction	<u>13,352,553</u>	<u>0</u>	<u>43,648</u>	<u>13,396,201</u>
Support Services				
Pupil services	744,193			744,193
Instructional staff services	1,060,774		10,042	1,070,816
General administration services	404,060			404,060
Building administration services	1,112,274			1,112,274
Business services	304,712			304,712
Operations and maintenance	2,022,576		4,543	2,027,119
Pupil transportation	987,774			987,774
Central services	684,427			684,427
Insurance	170,839			170,839
Principal and interest		247,325		247,325
Other support services	550,942			550,942
Total Support Services	<u>8,042,571</u>	<u>247,325</u>	<u>14,585</u>	<u>8,304,481</u>
Total Expenditures	<u>21,395,124</u>	<u>247,325</u>	<u>58,233</u>	<u>21,700,682</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>214,357</u>	<u>349</u>	<u>37,834</u>	<u>252,540</u>
OTHER FINANCING SOURCES (USES)				
Proceeds on sale of assets	144,029			144,029
Transfers (to) from other funds	(100,000)		100,000	
Net Other Financing Sources (Uses)	<u>44,029</u>	<u>0</u>	<u>100,000</u>	<u>144,029</u>
Net Change in Fund Balances	258,386	349	137,834	396,569
FUND BALANCES - Beginning of Year	<u>6,766,981</u>	<u>415,569</u>	<u>318,433</u>	<u>7,500,983</u>
FUND BALANCES - END OF YEAR	<u>\$ 7,025,367</u>	<u>\$ 415,918</u>	<u>\$ 456,267</u>	<u>\$ 7,897,552</u>

See Accompanying Notes to the Basic Financial Statements

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds		\$ 396,569
Amounts reported for governmental activities in the statement of activities are different because:		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Capital outlay reported in governmental fund statements	555,280	
Depreciation expense reported in the statement of activities	<u>(883,316)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period:		(328,036)
In governmental funds the entire proceeds, if any, from the disposal of capital assets are reported as an other financing source. In the statement of activities only the gain (or loss) on the disposal is reported. The difference between the two is the original cost of the asset.		
Proceeds from the disposition of capital assets as reported on the governmental funds operating statement	(144,029)	
Gain (loss) on disposition reported on the statement of activities	<u>132,339</u>	
Book value of assets disposed of:		(11,690)
Certain 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. This year the accrual of these benefits decreased by:		
		10,191
Employer pension contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net pension asset and deferred outflows:		
		689,842
Pension expense is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the pension plan:		
		(973,235)
Employer OPEB contributions are reported in the governmental funds when the amounts are paid but not reported in the statement of activities since they are included in the net OPEB liability and deferred outflows:		
		819,703
OPEB expense is included in the statement of activities but not reported in the governmental funds since it is an actuarially determined amount for the OPEB plan:		
		(893,074)
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		200,000
In governmental funds, interest payments on long-term outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.		
The amount of interest paid during the current period	47,325	
The amount of interest expensed during the current period	<u>(47,325)</u>	
Interest paid is greater (less) than interest accrued by:		_____
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		\$ (89,730)

See Accompanying Notes to the Basic Financial Statements

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENTS OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018 AND 2017

	Food Service Fund	
	2018	2017
ASSETS		
Current Assets		
Cash and investments	\$ 174,986	\$ 123,274
Receivables	1,705	
Due from other governments	82	15,515
Total Current Assets	176,773	138,789
Noncurrent Assets		
Furniture and equipment	244,770	244,770
Less accumulated depreciation	(219,465)	(215,927)
Net Noncurrent Assets	25,305	28,843
Other Noncurrent Assets		
Net pension asset	53,615	
DEFERRED OUTFLOWS OF RESOURCES		
Pension related outflows of resources	147,602	127,429
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 403,295	\$ 295,061
LIABILITIES		
Current Liabilities		
Payroll, payroll taxes, insurance	\$ 1,175	
Other accrued expenses	18,587	16,630
Unearned revenue	8,547	13,553
Total Current Liabilities	28,309	30,183
Noncurrent Liabilities		
Net pension liability		15,642
DEFERRED INFLOWS OF RESOURCES		
Pension related inflows of resources	163,018	64,762
NET POSITION		
Net investment in capital assets	25,305	28,843
Restricted for food service operations	148,464	108,606
Restricted for pension related items	38,199	47,025
Total Net Position	211,968	184,474
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 403,295	\$ 295,061

See Accompanying Notes to the Basic Financial Statements

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Food Service Fund	
	2018	2017
OPERATING REVENUES		
Food sales	\$ 288,374	\$ 272,276
Local sources	1,479	1,000
State sources	16,479	16,087
Federal sources	488,784	474,681
Federal commodities	53,507	56,033
Total Operating Revenues	<u>848,623</u>	<u>820,077</u>
OPERATING EXPENSES		
Salaries and wages	292,872	279,611
Employer paid benefits	126,418	134,835
Purchased services	7,459	8,606
Supplies, food and materials	390,795	391,489
Other	47	1,931
Depreciation	3,538	3,112
Total Operating Expenses	<u>821,129</u>	<u>819,584</u>
Change in Net Position	27,494	493
NET POSITION - Beginning of Year	<u>184,474</u>	<u>183,981</u>
NET POSITION - END OF YEAR	<u>\$ 211,968</u>	<u>\$ 184,474</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Food Service Fund	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	\$ 281,663	\$ 274,260
Cash received from other government payments	522,175	478,372
Cash payments to employees for services	(410,464)	(393,085)
Cash payments for utilities and other purchased services	(7,459)	(8,606)
Cash payments to suppliers for goods and services	(334,156)	(329,440)
Cash payments for other operating expenses	(47)	(1,931)
Net Cash Provided By (Used For) Operating Activities	51,712	19,570
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Asset Purchase		(11,601)
Net Cash Provided By (Used For) Investing Activities	0	(11,601)
Net Increase (Decrease) in Cash and Cash Equivalents	51,712	7,969
CASH AND CASH EQUIVALENTS - Beginning of Year	123,274	115,305
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 174,986	\$ 123,274
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in net position	\$ 27,494	\$ 493
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	3,538	3,112
Net change in pension related items	8,826	21,361
Changes in operating assets and liabilities		
Receivables	(1,705)	1,280
Due to (from) other governments	15,433	(13,396)
Payroll, payroll taxes, insurance	1,175	
Other accrued liabilities	1,957	6,016
Unearned revenue	(5,006)	704
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ 51,712	\$ 19,570
NONCASH NONCAPITAL FINANCING ACTIVITIES		
During the year the District received commodities from the U.S. Department of Agriculture in the amount of	\$ 56,033	\$ 56,033

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENTS OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

	Postemployment Employee Benefit Trust Funds	Private-Purpose Trust Funds	Agency Fund
ASSETS			
Current Assets			
Cash and investments	\$ 2,853,150	\$ 28,553	\$ 213,056
TOTAL ASSETS	\$ 2,853,150	\$ 28,553	\$ 213,056
LIABILITIES			
Due to student groups	\$ 0	\$ 0	\$ 213,056
Accounts payable	692,426		
TOTAL LIABILITIES	692,426	0	
NET POSITION			
Restricted	2,160,724	28,553	
TOTAL LIABILITIES AND NET POSITION	\$ 2,853,150	\$ 28,553	

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Postemployment Employee Benefit Trust Funds	Private-Purpose Trust Funds
ADDITIONS		
Employer contribution	\$ 601,844	\$ 0
Retiree contributions	90,582	
Private donations		5,000
Interest and dividend income	30,637	152
Total Additions	<u>723,063</u>	<u>5,152</u>
DEDUCTIONS		
Scholarships awarded		4,200
Retiree benefit payments	692,426	
Total Deductions	<u>692,426</u>	<u>4,200</u>
Change in Net Position	30,637	952
NET POSITION - Beginning of Year	<u>2,130,087</u>	<u>27,601</u>
NET POSITION - END OF YEAR	<u>\$ 2,160,724</u>	<u>\$ 28,553</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School District of Wisconsin Dells ("District") have been prepared in conformity with accounting principles (GAAP) generally accepted in the United States of America as applied to governmental 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.

A. Reporting Entity

The School District of Wisconsin Dells is organized as a common school district governed by an elected seven member board. The District is comprised of all or parts of fifteen taxing districts.

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

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

B. Basis of Presentation

District-Wide Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for 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
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

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

The District operates one proprietary fund, the Food Service Fund. This fund accounts for the activities of the District's food service, generally school hot lunch program.

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

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

The District accounts for assets accumulated from employer contributions used to pay for postemployment benefits for health, dental and life insurance in the Postemployment Employee Benefit Trust Funds.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The district-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

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

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

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

Reports for the District's Food Service Fund are prepared following the 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.

D. Assets and Liabilities

Cash and Investments

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

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

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

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 statements as increases or decreases in investment income.

Property Tax Levy

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

The District's property taxes are levied on or before October 31st on the equalized property valuation certified by the Department of Revenue. As permitted by a collecting municipality's ordinance, taxes may be paid in full or in two or more installments with the first installment payable the subsequent January 31st, and a final payment no later than the following July 31st. The District is paid by the collecting municipality its proportionate share of tax collections received through the last day of the preceding month on or before January 15th, and by the 20th of each subsequent month thereafter. On or before August 20th, the County Treasurer makes full settlement to the District for any remaining balance. The County assumes all responsibility for delinquent real estate property taxes.

Property taxes are recognized as revenue in the period for which the taxes are levied. The 2016 tax levy is used to finance operations of the District's fiscal year ended June 30, 2018. All property taxes are considered due on January 1st, when an enforceable lien is assessed against the property and the taxpayer is liable for the taxes. All taxes are collected within 60 days of June 30th and are available to pay current liabilities.

Accounts Receivable

All accounts receivable are shown at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since such allowance would not be material.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid items represent payments made by the District for which benefits extend beyond June 30.

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

Due To/Due From Other Funds

The amounts reported on the statement of net position for due to and due from funds represents amounts due between different fund types (governmental activities, business-type activities and Fiduciary Funds). Eliminations have been made for amounts due to and due from within the same fund type. See Note 6 for a detailed description of the interfund balances as of June 30, 2018.

Capital Assets

Capital assets are reported at actual cost for acquisitions 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 fair market value at the time received.

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

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$5,000	Straight-line	50 years
Site improvements	\$5,000	Straight-line	20 years
Furniture & equipment	\$5,000	Straight-line	5-20 years
Computer & 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

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Vested Employee Benefits

Compensated Absences

The School 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 the 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 carryover 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 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 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.

The entire compensated absence 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 Medicare 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 active 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 or reaches age 65, whichever is earlier. The unfunded benefit liability is reported on the government-wide financial statements.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets and Liabilities (Continued)

Estimates - The preparation of the basic 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 basic financial statements and accompanying notes. Actual results may differ from those estimates.

Net Position - Net position represents the difference between assets and liabilities. Net 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 their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

E. Fund Balance Reporting

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:

1. Nonspendable, such as fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),
2. Restricted fund balance classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation,
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Education (the district's highest level of decision-making authority),
4. Assigned fund balance classification is intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Fund Balance Reporting (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 nonspendable. 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 fund, postemployment employee benefit trust fund, SAGE funds, and other funds established by regulatory authority will be classified as restricted.

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

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

F. Deferred Outflows/Inflows of Resources

The District reports under GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. In addition to reporting assets and liabilities in the statement of net position and balance sheet the following are the provisions for reporting a separate section for deferred outflows and inflows of resources:

Deferred Outflows of Resources: The District reports decreases in net position and fund balances that relate to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary funds statement of net position and governmental funds balance sheet. See Note 7 for deferred outflows of resources for pension related items. See Notes 8 and 9 for deferred outflows of OPEB related items.

Deferred Inflows of Resources: The District's government-wide and governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position and fund balance that relates to a future period. See Note 7 for deferred inflows of resources for pension related items. See Notes 8 and 9 for deferred inflows of OPEB related items.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

A. 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 balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- A) Long-term revenue differences 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.
- B) Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- C) Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

	Total Governmental Funds	Long-Term Revenues/ Expenses	Capital Related Items	Long-Term Debt Transactions	Statement Of Activities Total
<u>Revenues and Other Sources</u>					
Property taxes	\$16,997,060	\$ 0	\$ 0	\$ 0	\$16,997,060
Other local sources					
Interest and investment earnings	39,317				39,317
Miscellaneous	98,727				98,727
Charges for services	79,374				79,374
Interdistrict sources					
Charges for services	7,375				7,375
Other general aid	615,962				615,962
Operating grants and contributions	7,556				7,556
Intermediate sources					
Operating grants and contributions	40,942				40,942
State sources					
Charges for services	182				182
General aid	717,831				717,831
Other general aid	900,486				900,486
Operating grants and contributions	1,327,522				1,327,522
Federal sources					
Operating grants and contributions	975,960				975,960
Other revenue sources					
Charges for services	94,332				94,332
Reimbursement on QSCB	43,431				43,431
Miscellaneous	7,165				7,165
Special and extraordinary items					
Proceeds/Gain (loss) on sale of assets	144,029		(11,690)		132,339
Total Revenues and Other Sources	<u>\$22,097,251</u>	<u>\$ 0</u>	<u>\$ (11,690)</u>	<u>\$ 0</u>	<u>\$22,085,561</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

	Total Governmental Funds	Long-Term Revenues/ Expenses	Pension/OPEB Related Items		Capital Related Items		Long-Term Debt Transactions	Statement
			Employer Contributions	Pension/OPEB Expense	Acquisitions	Depreciation		Of Activities Total
<u>Expenditures/Expenses</u>								
Regular instruction	\$ 9,576,609	\$ (7,285)	\$ (741,454)	\$ 916,358	\$ 0	\$ 67,335	\$ 0	\$ 9,811,563
Vocational instruction	393,933	(300)	(72,433)	89,583		6,088		416,871
Special instruction	2,490,961	(1,895)	(187,118)	231,422		6,942		2,540,312
Other instruction	934,698	(711)	(60,361)	74,652	(36,130)	10,191		922,339
Pupil services	744,193		(98,087)	121,309		1,038		768,453
Instructional staff services	1,070,816		(64,888)	80,251		21,636		1,107,815
General administration services	404,060		(31,690)	39,192		331		411,893
Building administration services	1,112,274		(101,104)	125,043		2,265		1,138,478
Business services	304,712		(25,653)	31,728		2,637		313,424
Operations and maintenance	2,027,119		(81,487)	100,781	(262,502)	242,402		2,026,313
Pupil transportation	987,774				(247,152)	1,050		741,672
Central services	684,427		(28,671)	35,460	(9,496)	31,867		713,587
Insurance	170,839							170,839
Principal and interest	247,325						(200,000)	47,325
Community services			(16,599)	20,530				3,931
Other support services	550,942							550,942
Depreciation - unallocated						489,534		489,534
Total Expenditures/ Expenses	<u>21,700,682</u>	<u>(10,191)</u>	<u>(1,509,545)</u>	<u>1,866,309</u>	<u>(555,280)</u>	<u>883,316</u>	<u>(200,000)</u>	<u>22,175,291</u>
Net Change for Year	<u>\$ 396,569</u>	<u>\$ 10,191</u>	<u>\$ 1,509,545</u>	<u>\$(1,866,309)</u>	<u>\$ 543,590</u>	<u>\$(883,316)</u>	<u>\$ 200,000</u>	<u>\$(89,730)</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3 CASH AND INVESTMENTS

The Debt Service Fund and Capital Projects Fund account for their transactions through separate and distinct bank and investment accounts as required by state statutes. In addition, trust and agency funds use separate and distinct accounts. All other funds share in common bank and investment accounts.

Deposits: Deposits in banks are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 per official custodian for each ownership category. In addition, the State of Wisconsin has a State Guarantee Fund, which provides a maximum of \$400,000 per public depository above the amount provided by the FDIC. However, due to the relatively small size of the Guarantee Fund in relation to the total coverage, total recovery of losses may not be available. However since the risk that an economic event would occur of the magnitude that would deplete the fund has been assessed as minimal, this coverage has been included in computing the amounts in Category 1 below.

Investments: Wisconsin Statute 66.04(2) and 67.11(2) restrict investment of temporarily idle cash. The School Board has adopted an investment policy pursuant to these statutes, which allows the District to invest in time deposits, securities guaranteed by the U.S. Government, securities of the Wisconsin Local Government Pooled Investment Fund, the Wisconsin School District Liquid Asset Fund and commercial paper if the security has the highest or second highest rating of a nationally recognized rating agency. Investments in the postemployment employee benefit trust funds may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit policy.

The District's deposits and investments are categorized into three categories of custodial credit risk:

- Category 1 - Insured or registered which are collateralized with securities held by the District or by its agent in the District's name.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

- Category 2 - Uninsured and unregistered deposits and investments, which are collateralized with securities, held by the counter party's trust department or agent in the District's name.
- Category 3 - Uncollateralized deposits and uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the District's name.

The District's deposits and investment balances at June 30, 2018 were as follows:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Bank of Wisconsin Delles	\$650,000	\$1,404,765	\$ 0	\$2,054,765	\$ 810,951
The Baraboo National Bank	58,522			58,522	58,522
BMO Harris Bank	19,873			19,873	19,873
 Totals	 <u>\$728,395</u>	 <u>\$1,404,765</u>	 <u>\$ 0</u>	 <u>\$2,133,160</u>	

Mid America Administrative & Retirement Solutions, Inc.-ING ReliaStar Group Annuity Contract	2,853,150
Investment in Local Government Investment Pool	2,317,951
Petty cash	67
Investments held by fiduciary funds	<u>(3,094,759)</u>
 Cash and Investments Reported on Statement of Net Position	 <u>\$ 2,965,755</u>

Investments are stated at cost which approximates 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.

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 reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2018, the fair value of the LGIP's assets was substantially equal to the District's share as reported below. The investment in the LGIP is insured against defaults in principal payments by Financial Security Assurance Incorporated.

The difference between carrying amounts and bank balances is due to outstanding checks and deposits in transit.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of year end for each investment type.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 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 the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Presented below are the maturities for each investment type.

The District's investments at June 30, 2018 and credit and interest rate risks are as follows:

	<u>Credit Quality Rating</u>	<u>Credit Exposure As a Percentage of Total Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Mid America Administrative & Retirement Solutions, Inc. ING ReliaStar Group Annuity Contract	Unrated	55%	N/A	\$2,853,150
Wisconsin Local Government Investment Pool	Unrated	<u>45%</u>	20 days average	<u>2,317,951</u>
Total		<u>100%</u>		<u>\$5,171,101</u>

NOTE 4 CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated				
Sites (land)	\$ 780,748	\$ 0	\$ 11,690	\$ 769,058
Capital assets being depreciated				
Site improvements	1,033,850	10,961		1,044,811
Buildings	20,330,582	277,581	(4,430)	20,603,733
Vehicles	2,173,547	257,242	(112,435)	2,318,354
Furniture and equipment	6,427,372	9,496	(9,885)	6,426,983
Total Capital Assets Being Depreciated	<u>29,965,351</u>	<u>555,280</u>	<u>(126,750)</u>	<u>30,393,881</u>
Less accumulated depreciation for				
Site improvements	(594,181)	(38,737)		(632,918)
Buildings	(9,614,067)	(456,881)	4,430	(10,066,518)
Vehicles	(1,250,029)	(210,224)	112,435	(1,347,818)
Furniture and equipment	(5,679,055)	(177,474)	9,885	(5,846,644)
Total Accumulated Depreciation	<u>(17,137,332)</u>	<u>(883,316)</u>	<u>126,750</u>	<u>(17,893,898)</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Total Capital Assets Being Depreciated, Net of Accumulated Depreciation	<u>\$12,828,019</u>	<u>\$ (328,036)</u>	<u>\$ 0</u>	<u>\$12,499,983</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$13,608,767</u>	<u>\$ (328,036)</u>	<u>\$ (11,690)</u>	<u>\$13,269,041</u>
Business-Type Activities Capital assets being depreciated				
Furniture and equipment	\$ 244,770	\$ 0	\$ 0	\$ 244,770
Less accumulated depreciation	<u>(215,927)</u>	<u>(3,538)</u>	<u>0</u>	<u>(219,465)</u>
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 28,843</u>	<u>\$ (3,538)</u>	<u>\$ 0</u>	<u>\$ 25,305</u>

Depreciation expense was charged to governmental functions as follows:

Regular instruction	\$ 67,335
Vocational instruction	6,088
Special education instruction	6,942
Other instruction	10,191
Pupil services	1,038
Instructional staff services	21,636
General administration services	331
Building administration services	2,265
Business services	2,637
Operations and maintenance of plant	242,402
Pupil transportation services	1,050
Central services	31,867
Depreciation not charged to a specific function	<u>489,534</u>
Total Depreciation for Governmental Activities	<u>\$883,316</u>

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WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 LONG-TERM LIABILITIES

Long-term liability balances and activity for the year ended June 30, 2018 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Notes, Bonds and Capital Leases					
Qualified school construction bond	\$1,035,000	\$ 0	\$200,000	\$835,000	\$200,000
Total Notes, Bonds and Capital Leases	<u>1,035,000</u>	<u>0</u>	<u>200,000</u>	<u>835,000</u>	<u>200,000</u>
Other Liabilities					
Vested employee benefits					
Compensated absences	120,841		10,191	110,650	10,000
Total Other Liabilities	<u>120,841</u>	<u>0</u>	<u>10,191</u>	<u>110,650</u>	<u>10,000</u>
Total Governmental Activity					
Long-Term Liabilities	<u>\$1,155,841</u>	<u>\$ 0</u>	<u>\$210,191</u>	<u>\$945,650</u>	<u>\$210,000</u>

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

Total interest and other fiscal charges paid and accrued during the year:

	<u>Expense</u>	<u>Paid</u>
Qualified school construction bond	\$46,575	\$46,575
Other fiscal charges	<u>750</u>	<u>750</u>
Total Interest and Other Fiscal Charges Paid	<u>\$47,325</u>	<u>\$47,325</u>

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WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 5 LONG-TERM LIABILITIES (CONTINUED)

The full faith, credit, and taxing powers of the District secure all general obligation debt, including business-type activities, if any. Bonds and notes payable are comprised of the following individual issues:

	Issue Dates	Interest Rates	Dates of Maturity	Balance 6/30/18
2011 Qualified school construction bonds	09/07/10	4.5%	09/01/22	<u>\$835,000</u>
Total General Obligation Debt*				<u>\$835,000</u>

The legal debt limit and margin of indebtedness is set at 10% of equalized value by Section 67.03(1)(b), Wisconsin Statutes. The margin of indebtedness at June 30, 2018 is:

Equalized value certified by Wisconsin Department of Revenue for 2017	<u>\$2,252,363,033</u>
Margin of indebtedness at 10%	225,236,303
*Deduct long-term debt applicable to debt margin	<u>835,000</u>
Margin of Indebtedness	<u>\$224,401,303</u>

Aggregate cash flow requirements for retirement of long-term principal and interest on bonds and notes as of June 30, 2018 are as follows:

Governmental Activities <u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$200,000	\$ 46,575	\$ 246,575
2020	205,000	46,575	251,575
2021	205,000	46,575	251,575
2022	<u>225,000</u>	<u>46,575</u>	<u>271,575</u>
Totals	<u>\$835,000</u>	<u>\$186,300</u>	<u>\$1,021,300</u>

NOTE 6 INTERFUND BALANCES AND ACTIVITY

Interfund receivable and payable balances in the fund financial statements on June 30, 2018 are as follows:

	Due To Other Funds	Total
General Fund Title VII Native American		<u>\$5,623</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 EMPLOYEE RETIREMENT PLANS

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

Benefits provided. Employees who retire at or after age 65 (54 for protective occupations, 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 is the average of the participant's three highest annual earnings periods. Creditable service includes current and prior service for which a participant received earnings and made contributions as required. Credible service also includes credible 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.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Vested participants may retire at age 55 (50 for protective occupation employees) and receive 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>
2007	3.0%	10%
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, 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 \$707,816 in contributions from the employer.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Contribution rates as of June 30, 2018 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At June 30, 2018, the School District of Wisconsin Dells reported a liability (asset) of \$(2,111,297) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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 pension liability (asset) was based on the School District of Wisconsin Dells' share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the School District of Wisconsin Dells' proportion was .07110857%, which was a decrease of .00138742% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the School District of Wisconsin Dells recognized pension expense of \$1,000,035.

At June 30, 2018, the School District of Wisconsin Dells 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	\$2,682,455	\$(1,254,764)
Changes in assumptions	417,151	
Net differences between projected and actual earnings on pension plan investments	2,259,702	(5,161,483)
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,123	(3,234)
Employer contributions subsequent to the measurement date	423,973	0
Total	<u>\$5,812,404</u>	<u>\$(6,419,481)</u>

\$423,973 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

**SCHOOL DISTRICT OF WISCONSIN DELLS
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**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 EMPLOYEE RETIREMENT PLANS (CONTINUED)

<u>Year ended June 30:</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$2,154,076	\$(1,917,305)
2019	\$1,907,097	\$(1,915,873)
2020	\$ 687,589	\$(1,404,286)
2021	\$ 634,603	\$(1,182,017)
2022	\$ 5,066	

Actuarial assumptions. The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table5
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 - 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

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

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WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 7 EMPLOYEE RETIREMENT PLANS (CONTINUED)

Asset Allocation Targets and Expected Returns As of December 31, 2017

<u>Core Fund Asset Class</u>	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50%	8.2%	5.3%
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	<u>110%</u>	<u>7.3%</u>	<u>4.4%</u>
<u>Variable Fund Asset Class</u>			
US Equities	70%	7.5%	4.6%
International Equities	30	7.8	4.9
Total Variable Fund	<u>100%</u>	<u>7.9%</u>	<u>5.0%</u>

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 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 EMPLOYEE RETIREMENT PLANS (CONTINUED)

	<u>1% Decrease to Discount Rate (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase To Discount Rate (8.20%)</u>
School District of Wisconsin Dells' proportionate share of the net pension liability (asset)	\$5,462,648	\$2,111,297	\$(7,867,731)

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

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Postemployment Benefits Other Than Pensions (OPEB). For purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of The School District of Wisconsin Dells Retiree Benefits Plan (SDWDRBP) and additions to/deductions from SDWDRBP's fiduciary net position have been determined on the same basis as they are reported by SDWDRBP. For this purpose, SDWDRBP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

General Information about the OPEB Plan

Plan description. The District's defined benefit OPEB plan, The School District of Wisconsin Dells Retiree Benefit 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. WASDRBP provides healthcare and prescription drug benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

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

Contributions. The School District of Wisconsin Dells governing body has the authority to establish and amend the contribution requirements of the District and employees. The Board establishes rates based on an actuarially determined rate. For the year ended June 30, 2018, the District's average contribution rate was 8.30 percent of covered-employee payroll. Employees are not required to contribute to the plan.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Net OPEB Liability

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

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

Actuarial Valuation Date:	July 1, 2016
Measurement Date:	June 30, 2017
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	30 Year Level \$
Amortization Period:	30 Years
Asset Valuation Method:	Fair Market Value
Inflation	3.0%
Investment Rate of Return:	4.0%
Salary Increases:	3.0%
Healthcare Cost Trend Rates:	7.5%, decreasing 0.5% per year down to 6.5%, then by .10% per year down to 5.0%, and level thereafter

Mortality, disability and retirement rates were based on the Wisconsin Retirement System experience to value pensions for public school employees.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimated ranges of expected future real rates of return (expected returns, net of OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return of each major assets class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	54%	2.12%
Fixed Income	45%	2.21%
Cash	<u>1%</u>	0.00%
Total	<u>100%</u>	

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Discount rate. The discount rate used to measure the total OPEB liability was 3.0 percent. The projection of cash flows used to determine the discount rate assumed that 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 total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2016	\$7,747,620	\$1,900,238	\$5,847,382
Changes for the year:			
Service cost	525,604		525,604
Interest	231,025		231,025
Differences between expected and actual experience	253,254		253,254
Changes of assumptions or other input	(532,142)		(532,142)
Contributions - Employer		819,178	(819,178)
Net investment income		29,850	(29,850)
Benefit payments	(619,178)	(619,178)	
Administrative expense			
Net Changes	<u>(141,437)</u>	<u>229,850</u>	<u>(371,287)</u>
Balances at 6/30/2017	<u>\$7,606,183</u>	<u>\$2,130,088</u>	<u>\$5,476,095</u>

Sensitivity of the net OPEB liability to changes in the discount rate and health-care trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.0 percent) or 1-percentage-point higher (4.0 percent) than the current discount rate:

	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Net OPEB liability (asset)	\$5,942,995	\$5,476,095	\$5,030,432

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 8 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net 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 percent 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 (asset)	\$4,857,224	\$5,476,095	\$6,192,257

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$666,764. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$227,929	\$ 0
Changes of assumptions		(478,928)
Net difference between projected and actual earnings on OPEB plan investments	32,126	
Employer contributions subsequent to the measurement date	<u>601,844</u>	<u>0</u>
Total	<u>\$861,899</u>	<u>\$(478,928)</u>

\$601,844 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, 2018. 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>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$0	\$ (19,857)
2019	\$0	\$ (19,857)
2020	\$0	\$ (19,857)
2021	\$0	\$ (19,859)
2022	\$0	\$ (27,889)
Thereafter	\$0	\$(111,554)

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Summary of Significant Accounting Policies

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 other post-employment benefits, OPEB expenses, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs 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.

General Information about the Other Post-Employment Benefits

Plan description. The 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.

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, 2017 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Post Retirement Coverage	40% of Employee Contribution
25% Post Retirement Coverage	20% of Employee Contribution

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

During the reporting period, the LRLIF recognized \$525 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, 2018, the School District of Wisconsin Dells reported a liability (asset) of \$83,253 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the School District of Wisconsin Dells proportions was .02767200%, which was an increase of .00066100% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2017 the School District of Wisconsin Dells recognized OPEB expense of \$9,022.

For the year ended June 30, 2017, the School District of Wisconsin Dells reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 0	\$(1,173)
Net differences between projected and actual earnings on OPEB plan investments	959	
Changes in assumptions	8,045	
Changes to proportion and differences between employer contributions	1,392	
Employer contributions subsequent to the measurement date	<u>0</u>	<u>0</u>
TOTAL	<u>\$10,396</u>	<u>\$(1,173)</u>

\$0 reported as deferred outflows related to OPEB resulting from the School District of Wisconsin Dells Employer's contributions subsequent to the measurement date will be recognized as reduction of the net OPEB liability (asset) in the year ended June 30, 2017). 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>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$1,471	\$(179)
2019	\$1,471	\$(179)
2020	\$1,471	\$(179)
2021	\$1,471	\$(179)
2022	\$1,232	\$(179)
Thereafter	\$1,884	\$(274)

Actuarial assumptions. This total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial assumptions (Continued).

Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability (asset)	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return	5.00%
Discount Rate:	3.63%
Salary Increased	
Inflation:	3.20%
Seniority/Merit:	0.2%-5.6%
Mortality:	Wisconsin 2012 Mortality Table

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 School District of Wisconsin Dells are held with Securian, the insurance carrier. Interest is calculated and credited to the School District of Wisconsin Dells based on the rate of return for 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.

**Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2017**

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1%	1.13%
US Credit Bonds	Barclays Credit	65%	2.61%
US Long Credit Bonds	Barclays Long Credit	3%	3.08%
US Mortgages	Barclays MBS	31%	2.19%
Inflation			2.30%
Long Term Expected Rate of Return			5.00%

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 9 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

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

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

	<u>1% Decrease to Discount Rate (2.63%)</u>	<u>Current Discount Rate (3.63%)</u>	<u>1% Increase to Discount Rate (4.63%)</u>
School District of Wisconsin Dells proportionate share of the net OPEB liability (asset)	\$117,669	\$83,253	\$56,843

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

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 10 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, Wisconsin Dells School District, 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, 2018.

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 has no stop-loss coverage for dental care coverage of the Plan.

At June 30, 2018, the District has reported a liability of \$16,500, which represents unreported claims which were incurred on or before June 30, 2018, but were not paid by the District as of that date. This liability was determined by the claim's administrator.

NOTE 11 FUND AND NET POSITION BALANCES

Portions of fund balances are nonspendable, restricted, committed, assigned, or unassigned and not available for current expenses or expenditures. Details of these fund classifications are as follows:

		<u>Governmental Activities</u>		<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	<u>Food Service Fund</u>
Restricted for:				
Common School Fund	\$ 28,492	\$ 0	\$ 0	\$ 0
Self-funded insurance	163,212			
Debt service funds		415,918		
Food service programs				148,464
Pension related items				38,199
Special revenue trust fund			229,091	
Long Term Capital Improvement fund			201,717	
Community service fund			25,459	
Total Restricted	<u>191,704</u>	<u>415,918</u>	<u>456,267</u>	<u>186,663</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 11 FUND AND NET POSITION BALANCES (CONTINUED)

	Governmental Activities			Business-Type
	General Fund	Debt Service Fund	Other Governmental Funds	Food Service Fund
Committed for:				
3-Year maintenance plan- Spring Hill Project	\$ 258,386	\$ 0	\$ 0	\$ 0
HRA employee share of unused high deductible HRA allocations	37,834			
July/August retiree health and dental premiums	73,451			
Total Committed	369,671	0	0	0
Assigned for:				
Labor costs incurred prior to recognition of first tax levy revenue in subsequent year	315,000			
HRA reimbursement from 2017 plan year	169,842			
Facility improvement Fund proceeds from sale of vacant land	162,352			
3-Year maintenance plan revenue from technology education house project	111,475			
Total Assigned	758,669	0	0	0
Unassigned	5,705,323	0	0	0
 Total fund balances	 \$7,025,367	 \$415,918	 \$456,267	 \$186,663

Restricted net position balances in the district-wide statement of net position consist of the following:

Government activities:	
Common school fund	\$ 28,492
Self-funded insurance	163,212
Debt service funds	415,918
Special revenue trust fund	229,091
Long Term Capital Improvement fund	201,717
Community service fund	25,459
Pension related items	1,466,021
Total	\$2,529,910
Business-type activities:	
Food service programs	\$148,464
Pension related items	38,199
Total	\$186,663

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 12 RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District manages these risks through the purchase of various forms of commercial insurance. Certain of the commercial insurance policies have established deductible amounts whereby the district would be responsible for the portion of claims, losses and damages under the deductible limits. All funds participate in the coverages provided by the commercial insurance carriers. Each fund would be responsible for its share of losses either below the deductible amounts or for losses exceeding the coverage limits of the commercial policies. There was no significant reduction in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage for the past three years.

NOTE 13 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 a material effect on the District's financial position or results of operations.

NOTE 14 EXCESS OF ACTUAL EXPENDITURE OVER BUDGET

There were no individual funds that had an excess of actual expenditures over budget for the year ended June 30, 2018.

NOTE 15 SUBSEQUENT EVENTS

Subsequent events are evaluated through November 30, 2018, which is the date the financial statements were available to be issued. As of that date, no material subsequent events were noted.

NOTE 16 LIMITATION OF SCHOOL DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues school districts are permitted to derive from general state aids and property taxes unless a higher amount is approved by a referendum of the taxpayers. This limitation does not apply to revenues needed for the repayment of any general obligation debt (including refinanced debt) authorized by either of the following: (a) a resolution of the School Board or a referendum prior to August 12, 1993, (b) a referendum on or after August 12, 1993.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 16 PRIOR YEAR RESTATEMENT

Changes to the reporting requirements for OPEB detailed in Note 9 requires a restatement to the beginning net position as follows:

	<u>Governmental Activities</u>
Net Position - Beginning of Year	\$16,675,119
Prior Year Net OPEB Liability	<u>(65,579)</u>
Net Position - Beginning of Year, As Restated	<u>\$16,609,540</u>

REQUIRED SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budgeted Numbers			Final Budgeted Numbers			Actual Amounts			Variance With Final Budget Favorable/ (Unfavorable)
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund	
REVENUES										
Property taxes	\$ 0	\$ 16,757,224	\$ 16,757,224	\$ 0	\$ 16,791,402	\$ 16,791,402	\$ 0	\$ 16,797,060	\$ 16,797,060	\$ 5,658
Other local sources		87,810	87,810		124,251	124,251		122,731	122,731	(1,520)
Interdistrict sources		509,883	509,883		624,587	624,587		630,893	630,893	6,306
Intermediate sources	15,000	12,264	27,264	16,669	38,611	55,280	18,180	22,762	40,942	(14,338)
State sources	542,838	2,356,933	2,899,771	517,867	2,429,786	2,947,653	520,867	2,425,154	2,946,021	(1,632)
Federal sources	453,741	485,888	939,629	571,149	581,215	1,152,364	436,125	534,212	970,337	(182,027)
Other sources		21,000	21,000		110,905	110,905		101,497	101,497	(9,408)
Total Revenues	1,011,579	20,231,002	21,242,581	1,105,685	20,700,757	21,806,442	975,172	20,634,309	21,609,481	(196,961)
EXPENDITURES										
Instruction										
Regular instruction		9,635,426	9,635,426		9,677,144	9,677,144		9,556,622	9,556,622	120,522
Vocational instruction	2,500	392,330	394,830		398,450	398,450		393,933	393,933	4,517
Special instruction	2,041,730	362,071	2,403,801	2,121,122	437,535	2,558,657	2,070,915	420,046	2,490,961	67,696
Other instruction		942,270	942,270		908,565	908,565		911,037	911,037	(2,472)
Total Instruction	2,044,230	11,332,097	13,376,327	2,121,122	11,421,694	13,542,816	2,070,915	11,281,638	13,352,553	190,263
Support Services										
Pupil services	284,461	532,951	817,412	284,392	512,087	796,479	256,044	488,149	744,193	52,286
Instructional staff services	201,820	876,183	1,078,003	226,434	918,661	1,145,095	180,789	879,985	1,060,774	84,321
General administration services		485,382	485,382		397,542	397,542		404,060	404,060	(6,518)
Building administration services		1,110,224	1,110,224		1,108,328	1,108,328		1,112,274	1,112,274	(3,946)
Business services	2,000	311,186	313,186	4,415	299,786	304,201	6,246	298,466	304,712	(511)
Operations and maintenance	2,500	1,974,244	1,976,744	1,500	2,004,784	2,006,284	139	2,022,437	2,022,576	(16,292)
Pupil transportation	112,820	858,005	970,825	182,869	819,173	1,002,042	172,605	815,169	987,774	14,268
Central services		773,012	773,012	22,500	673,314	695,814	5,808	678,619	684,427	11,387
Insurance		204,266	204,266		170,839	170,839		170,839	170,839	
Principal and interest										
Other support services		137,200	137,200		557,816	557,816		550,942	550,942	6,874
Total Support Services	603,601	7,262,653	7,866,254	722,110	7,462,330	8,184,440	621,631	7,420,940	8,042,571	141,869
Total Expenditures	2,647,831	18,594,750	21,242,581	2,843,232	18,884,024	21,727,256	2,692,546	18,702,578	21,395,124	332,132
Excess (Deficiency) of Revenues Over Expenditures	(1,636,252)	1,636,252	0	(1,737,547)	1,816,733	79,186	(1,717,374)	1,931,731	214,357	135,171
OTHER FINANCING SOURCES (USES)										
Transfers (to) from other funds	1,636,252	(1,636,252)		1,737,547	(1,837,547)	(100,000)	1,717,374	(1,817,374)	(100,000)	
Proceeds on sale of assets					144,810	144,810		144,029	144,029	(781)
Net Other Financing Sources (Uses)	1,636,252	(1,636,252)	0	1,737,547	(1,692,737)	44,810	1,717,374	(1,673,345)	44,029	(781)
Net Change in Fund Balances	0	0	0	0	123,996	123,996	0	258,386	258,386	134,390
FUND BALANCES - Beginning of Year	0	6,766,981	6,766,981	0	6,766,981	6,766,981	0	6,766,981	6,766,981	0
FUND BALANCES - END OF YEAR	\$ 0	\$ 6,766,981	\$ 6,766,981	\$ 0	\$ 6,890,977	\$ 6,890,977	\$ 0	\$ 7,025,367	\$ 7,025,367	\$ 134,390

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

BUDGETARY COMPARISON SCHEDULE FOR THE DEBT SERVICE FUND
BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
Other local sources	1,500	4,238	4,243	5
Other sources	43,362	43,432	43,431	(1)
Total Revenues	<u>244,862</u>	<u>247,670</u>	<u>247,674</u>	<u>4</u>
EXPENDITURES				
Support Services				
Debt service				
Principal	200,000	200,000	200,000	
Interest	46,575	46,575	46,575	
Paying agents fees	790	790	750	40
Total Expenditures	<u>247,365</u>	<u>247,365</u>	<u>247,325</u>	<u>40</u>
Net Change in Fund Balance	(2,503)	305	349	44
FUND BALANCE - Beginning of Year	<u>414,181</u>	<u>415,562</u>	<u>415,569</u>	<u>7</u>
FUND BALANCE - END OF YEAR	<u>\$ 411,678</u>	<u>\$ 415,867</u>	<u>\$ 415,918</u>	<u>\$ 51</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2018**

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, which is in accordance with accounting principles generally accepted in the United States of America. The legally adopted budget and budgetary expenditure control is exercised at the two-digit sub-function level in the General Fund and at the function level for all other funds. Reported budget amounts are as originally adopted or as amended by 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 1st through June 30th 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.
- Appropriations lapse at year end unless authorized as a carryover by the School Board. The portion of fund balance representing carryover appropriations is reported as a reserve of fund balance.

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR PENSION RELATED ITEMS
FOR THE YEAR ENDED JUNE 30, 2018

**SCHEDULE OF SCHOOL DISTRICT OF WISCONSIN DELLS' PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)**
Wisconsin Retirement System
Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
School District of Wisconsin Dells' proportion of the net pension liability (asset)	.07110857%	.07249599%	.07448115%	.07496184%
School District of Wisconsin Dells' proportionate share of the net pension liability (asset)	\$(2,111,297)	\$ 597,540	\$ 1,210,304	\$(1,841,268)
School District of Wisconsin Dells' covered-employee payroll	\$10,248,881	\$10,090,668	\$10,608,693	\$10,244,993
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.93%	99.12%	98.20%	102.74%

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

SCHEDULE OF SCHOOL DISTRICT OF WISCONSIN DELLS' CONTRIBUTIONS
Wisconsin Retirement System
Last 10 Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 696,099	\$ 665,984	\$ 721,391	\$ 714,937
Contributions in relation to contractually required contributions	\$ (696,099)	\$ (665,984)	\$ (721,391)	\$ (714,937)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0
School District of Wisconsin Dells' covered-employee payroll	\$10,248,881	\$10,090,668	\$10,608,693	\$10,244,993
Contributions as a percentage of covered-employee payroll	6.79%	6.60%	6.80%	6.98%

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

**Notes to Required Supplementary Information
For the Year Ended June 30, 2018**

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

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

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR OPEB ITEMS
FOR THE YEAR ENDED JUNE 30, 2018

SCHEDULE OF SCHOOL DISTRICT OF WISCONSIN DELLS CONTRIBUTIONS FOR OPEB

Last 10 Fiscal Years*

	2018
Actuarially determined contribution (ADC)	\$ 777,243
Contributions in relation to the ADC	(819,178)
Contribution deficiency (excess)	\$ (41,935)
Covered-employee payroll	\$9,871,526
Contributions as a percentage of covered- employee payroll	8.30%

Key Methods and Assumptions Used to Calculate ADC

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Amortization method	30 year Level \$
Discount rate	4.00%
Amortization growth rate	3.00%
Inflation	3.00%

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

**SCHEDULE OF SCHOOL DISTRICT OF WISCONSIN DELLS' PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY (ASSET)
Local Retiree Life Insurance Fund**

	2018
School District of Wisconsin Dells' proportion of the net pension liability (asset)	.02767200%
School District of Wisconsin Dells' proportionate share of the net pension liability (asset)	\$ 83,253
School District of Wisconsin Dells' covered-employee Payroll	\$1,163,687
Plan fiduciary net position as a percentage of the total pension liability (asset)	44.81%

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR OPEB ITEMS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHEDULE OF SCHOOL DISTRICT OF WISCONSIN DELLS' CONTRIBUTIONS

Local Retiree Life Insurance Fund

	<u>2018</u>
Contractually required contributions	\$ 525
Contributions in relation to contractually required contributions	\$ (525)
Contribution deficiency (excess)	\$ 0
School District of Wisconsin Dells' covered Employee Payroll	\$1,163,687
Contributions as a percentage of covered-employee payroll	.000451%

**Notes to Required Supplementary Information
For the Year Ended June 30, 2018**

Changes for benefit terms. There were no changes of benefit terms for any participating employer in the School District of Wisconsin Dells.

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

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>2018</u>	<u>2017</u>
TOTAL OPEB LIABILITY		
Service cost	\$ 525,604	\$ 525,604
Interest	231,025	227,144
Differences between expected and actual experience	253,254	
Changes of assumptions or other input	(532,142)	
Benefit payments	(619,178)	(627,611)
Net change in total OPEB liability	<u>(141,437)</u>	<u>125,137</u>
TOTAL OPEB LIABILITY - Beginning of Year	<u>7,747,620</u>	<u>7,622,483</u>
TOTAL OPEB LIABILITY - End of Year (a)	<u>\$ 7,606,183</u>	<u>\$ 7,747,620</u>
FIDUCIARY NET POSITION		
Contributions - Employer	\$ 819,178	\$ 827,611
Net investment income	29,850	30,912
Benefit payments	(619,178)	(627,611)
Net change in fiduciary net position	<u>229,850</u>	<u>230,912</u>
FIDUCIARY NET POSITION - Beginning of Year	<u>1,900,238</u>	<u>1,669,326</u>
FIDUCIARY NET POSITION - End of Year (b)	<u>\$ 2,130,088</u>	<u>\$ 1,900,238</u>
NET OPEB LIABILITY		
Net OPEB liability (a)-(b)	<u>\$ 5,476,095</u>	<u>\$ 5,847,382</u>
Fiduciary net position as a percentage of the total OPEB liability	28.00%	24.53%
Covered Payroll	\$ 9,871,526	\$ 9,361,419
Net OPEB liability as a percentage of covered payroll	55.47%	62.46%

OTHER SUPPLEMENTARY INFORMATION

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE BALANCE SHEETS
GENERAL FUND
JUNE 30, 2018 AND 2017

	2018			2017		
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund
ASSETS						
Cash and investments	\$ 141,888	\$ 1,876,655	\$ 2,018,543	\$ 82,476	\$ 3,053,812	\$ 3,136,288
Receivables						
Taxes		6,042,246	6,042,246		6,178,420	6,178,420
Accounts	21,805	703,533	725,338		20,988	20,988
Due from other funds		5,623	5,623		8,148	8,148
Due from other governments	105,498	204,654	310,152	114,572	370,670	485,242
TOTAL ASSETS	\$ 269,191	\$ 8,832,711	\$ 9,101,902	\$ 197,048	\$ 9,632,038	\$ 9,829,086
LIABILITIES AND FUND BALANCES						
Liabilities						
Short-term notes payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accounts payable		237,778	237,778	8,781	924,060	932,841
Accrued liabilities						
Payroll, payroll taxes, insurance	269,191	1,293,673	1,562,864	188,267	1,625,988	1,814,255
Interest						
Self-funded dental benefits deposits payable		33,026	33,026		45,888	45,888
Dental benefit claims payable		16,500	16,500		12,500	12,500
Due to other funds		100,000	100,000		100,000	100,000
Unearned revenue		126,367	126,367		156,621	156,621
Total Liabilities	269,191	1,807,344	2,076,535	197,048	2,865,057	3,062,105
Fund Balances						
Restricted		191,704	191,704		163,767	163,767
Committed		369,671	369,671		319,104	319,104
Assigned		758,669	758,669		1,451,135	1,451,135
Unassigned		5,705,323	5,705,323		4,832,975	4,832,975
Total Fund Balances	0	7,025,367	7,025,367	0	6,766,981	6,766,981
TOTAL LIABILITIES AND FUND BALANCES	\$ 269,191	\$ 8,832,711	\$ 9,101,902	\$ 197,048	\$ 9,632,038	\$ 9,829,086

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - GENERAL FUND
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018							2017											
	Final Budget			Actual			Variance Favorable (Unfavorable)	Final Budget			Actual			Variance Favorable (Unfavorable)					
	Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund		Special Education	General Fund	Total General Fund	Special Education	General Fund	Total General Fund						
REVENUES																			
Property taxes	\$ 0	\$ 16,791,402	\$ 16,791,402	\$ 0	\$ 16,797,060	\$ 16,797,060	\$ 5,658	\$ 0	\$ 16,833,607	\$ 16,833,607	\$ 0	\$ 16,833,707	\$ 16,833,707	\$ 100					
Other local sources		124,251	124,251		122,731	122,731	(1,520)		94,623	94,623		97,515	97,515	2,892					
Interdistrict sources		624,587	624,587		630,893	630,893	6,306		468,725	468,725	0	472,484	472,484	3,759					
Intermediate sources	16,669	38,611	55,280	18,180	22,762	40,942	(14,338)	10,970	29,366	40,336	12,355	50,263	62,618	22,282					
State sources	517,867	2,429,786	2,947,653	520,867	2,425,154	2,946,021	(1,632)	507,419	2,091,234	2,598,653	507,420	2,079,375	2,586,795	(11,858)					
Federal sources	571,149	581,215	1,152,364	436,125	534,212	970,337	(182,027)	413,789	513,196	926,985	386,440	541,505	927,945	960					
Other sources		110,905	110,905		101,497	101,497	(9,408)		70,728	70,728		73,400	73,400	2,672					
Total Revenues	1,105,685	20,700,757	21,806,442	975,172	20,634,309	21,609,481	(196,961)	932,178	20,101,479	21,033,657	906,215	20,148,249	21,054,464	20,807					
EXPENDITURES																			
Instruction																			
Regular instruction		9,677,144	9,677,144		9,556,622	9,556,622	120,522		9,150,376	9,150,376		9,094,762	9,094,762	55,614					
Vocational instruction		398,450	398,450		393,933	393,933	4,517	500	369,909	390,409		390,848	390,848	(439)					
Special instruction	2,121,122	437,535	2,558,657	2,070,915	420,046	2,490,961	67,696	1,951,182	368,093	2,319,275	1,951,516	357,221	2,308,737	10,538					
Other instruction		908,565	908,565		911,037	911,037	(2,472)		922,209	922,209		911,424	911,424	10,785					
Total Instruction	2,121,122	11,421,694	13,542,816	2,070,915	11,281,638	13,352,553	190,263	1,951,682	10,830,587	12,782,269	1,951,516	10,754,255	12,705,771	76,498					
Support Services																			
Pupil services	284,392	512,087	796,479	256,044	488,149	744,193	52,286	224,171	492,118	716,289	225,464	492,421	717,885	(1,596)					
Instructional staff services	226,434	918,661	1,145,095	180,789	879,985	1,060,774	84,321	197,804	1,008,004	1,205,808	187,243	933,927	1,121,170	84,638					
General administration services		397,542	397,542		404,060	404,060	(6,518)		478,641	478,641		464,828	464,828	13,813					
Building administration services		1,108,328	1,108,328		1,112,274	1,112,274	(3,946)		1,162,213	1,162,213		1,114,907	1,114,907	47,306					
Business services	4,415	299,786	304,201	6,246	298,466	304,712	(511)	2,650	317,533	320,183	2,638	292,684	295,322	24,861					
Operations and maintenance	1,500	2,004,784	2,006,284	139	2,022,437	2,022,576	(16,292)		2,166,816	2,166,816		2,181,942	2,181,942	(15,126)					
Pupil transportation	182,869	819,173	1,002,042	172,605	815,169	987,774	14,268	92,164	989,229	1,081,393	82,670	889,146	971,816	109,577					
Central services	22,500	673,314	695,814	5,808	678,619	684,427	11,387		588,682	588,682	1,809	557,653	559,462	29,220					
Insurance		170,839	170,839		170,839	170,839			195,786	195,786		185,478	185,478	10,288					
Principal and interest									4,632	4,632		4,631	4,631	1					
Other support services		557,816	557,816		550,942	550,942	6,874		147,349	147,349		151,757	151,757	(4,408)					
Total Support Services	722,110	7,462,330	8,184,440	621,631	7,420,940	8,042,571	141,869	516,789	7,550,983	8,067,772	499,824	7,269,374	7,769,198	298,574					
Total Expenditures	2,843,232	18,884,024	21,727,256	2,692,546	18,702,578	21,395,124	332,132	2,468,471	18,381,570	20,850,041	2,451,340	18,023,629	20,474,969	375,072					
Excess (Deficiency) of Revenues Over Expenditures	(1,737,547)	1,816,733	79,186	(1,717,374)	1,931,731	214,357	135,171	(1,536,293)	1,719,909	183,616	(1,545,125)	2,124,620	579,495	395,879					
OTHER FINANCING SOURCES (USES)																			
Transfer (to) from other funds	1,737,547	(1,837,547)	(100,000)	1,717,374	(1,817,374)	(100,000)		1,536,293	(1,639,293)	(103,000)	1,545,125	(1,645,125)	(100,000)	3,000					
Proceeds on sale of assets		144,810	144,810		144,029	144,029	(781)		119,740	119,740		119,737	119,737	(3)					
Net Other Financing Sources (Uses)	1,737,547	(1,692,737)	44,810	1,717,374	(1,673,345)	44,029	(781)	1,536,293	(1,519,553)	16,740	1,545,125	(1,525,388)	19,737	2,997					
Net Change in Fund Balance	0	123,996	123,996	0	258,386	258,386	134,390	0	200,356	200,356	0	599,232	599,232	398,876					
FUND BALANCE - Beginning of Year	0	6,766,981	6,766,981	0	6,766,981	6,766,981	0	0	6,167,749	6,167,749	0	6,167,749	6,167,749	0					
FUND BALANCE - END OF YEAR	\$ 0	\$ 6,890,977	\$ 6,890,977	\$ 0	\$ 7,025,367	\$ 7,025,367	\$ 134,390	\$ 0	\$ 6,368,105	\$ 6,368,105	\$ 0	\$ 6,766,981	\$ 6,766,981	\$ 398,876					

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and investments	\$ 415,918	\$ 415,962
TOTAL ASSETS	<u>\$ 415,918</u>	<u>\$ 415,962</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 0	\$ 393
Fund Balances		
Restricted for debt service	<u>415,918</u>	<u>415,569</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 415,918</u>	<u>\$ 415,962</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - DEBT SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Property taxes	\$ 200,000	\$ 200,000	\$ 0	\$ 200,000	\$ 200,000	\$ 0
Other local sources	4,238	4,243	5	1,679	1,658	6
Other sources	43,432	43,431	(1)	43,385	43,385	
Total Revenues	247,670	247,674	4	245,064	245,070	6
EXPENDITURES						
Support Services						
Debt service						
Principal	200,000	200,000		205,000	205,000	
Interest	46,575	46,575		53,750	53,750	
Paying agents fees	790	750	40	1,144	1,143	1
Total Expenditures	247,365	247,325	40	259,894	259,893	1
Net Change in Fund Balance	305	349	44	(14,830)	(14,823)	7
FUND BALANCE - Beginning of Year	415,569	415,569	0	430,392	430,392	0
FUND BALANCE - END OF YEAR	\$ 415,874	\$ 415,918	\$ 44	\$ 415,562	\$ 415,569	\$ 7

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Community Service Fund	Long Term Capital Improvement Fund	Title VII Native American Fund	Special Revenue Trust Fund	Total Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 25,459	\$ 101,717	\$ 0	\$ 229,132	\$ 356,308
Due from other governments			5,623		5,623
Due from other funds		100,000			100,000
TOTAL ASSETS	\$ 25,459	\$ 201,717	\$ 5,623	\$ 229,132	\$ 461,931
LIABILITIES AND FUND BALANCES					
Liabilities					
Accrued liabilities	\$ 0	\$ 0	\$ 0	\$ 41	\$ 41
Due to other funds			5,623		5,623
Total Liabilities	0	0	5,623	41	5,664
Fund Balances					
Restricted	25,459	201,717		229,091	456,267
Total Fund Balances	25,459	201,717	0	229,091	456,267
TOTAL LIABILITIES AND FUND BALANCES	\$ 25,459	\$ 201,717	\$ 5,623	\$ 229,132	\$ 461,931

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Community Service Fund	Long Term Capital Improvement Fund	Special Revenue Funds		Total Nonmajor Governmental Funds
			Title VII Native American Fund	Special Revenue Trust Fund	
Revenues					
Other local sources	\$ 0	\$ 1,717	\$ 0	\$ 88,727	\$ 90,444
Federal sources			5,623		5,623
Total Revenues	<u>0</u>	<u>1,717</u>	<u>5,623</u>	<u>88,727</u>	<u>96,067</u>
Expenditures					
Instruction					
Regular instruction			4,800	15,187	19,987
Other instruction				23,661	23,661
Total Instruction	<u>0</u>	<u>0</u>	<u>4,800</u>	<u>38,848</u>	<u>43,648</u>
Support Services					
Instructional staff services			823	9,219	10,042
Operations and maintenance				4,543	4,543
Total Support Services	<u>0</u>	<u>0</u>	<u>823</u>	<u>13,762</u>	<u>14,585</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>5,623</u>	<u>52,610</u>	<u>58,233</u>
OTHER FINANCING SOURCES (USES)					
Transfer (to) from other funds		100,000			100,000
Net Other Financing Sources (Uses)	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Net Change in Fund Balances	0	101,717	0	36,117	137,834
FUND BALANCES - Beginning of Year	<u>25,459</u>	<u>100,000</u>	<u>0</u>	<u>192,974</u>	<u>318,433</u>
FUND BALANCES - END OF YEAR	<u>\$ 25,459</u>	<u>\$ 201,717</u>	<u>\$ 0</u>	<u>\$ 229,091</u>	<u>\$ 456,267</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE BALANCE SHEETS
COMMUNITY SERVICE FUND
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and investments	\$ 25,459	\$ 26,451
TOTAL ASSETS	<u>\$ 25,459</u>	<u>\$ 26,451</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accrued liabilities	\$ 0	\$ 992
Fund Balances		
Restricted	<u>25,459</u>	<u>25,459</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 25,459</u>	<u>\$ 26,451</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - COMMUNITY SERVICE FUND
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Other local sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES						
Support Services						
Community services						
Total Expenditures	0	0	0	0	0	0
Net Change in Fund Balance	0	0	0	0	0	0
FUND BALANCE - Beginning of Year	25,459	25,459	0	25,459	25,459	0
FUND BALANCE - END OF YEAR	\$ 25,459	\$ 25,459	\$ 0	\$ 25,459	\$ 25,459	\$ 0

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE BALANCE SHEETS
LONG TERM CAPITAL IMPROVEMENT FUND
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and investments	\$ 101,717	\$ 0
Due from other funds	100,000	100,000
TOTAL ASSETS	\$ 201,717	\$ 100,000
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 0	\$ 0
Total Liabilities	0	0
Fund Balances		
Restricted for long-term capital improvement projects	201,717	100,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 201,717	\$ 100,000

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - LONG TERM CAPITAL IMPROVEMENT FUND
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Total Revenues	\$ 1,750	\$ 1,717	\$ (33)	\$ 0	\$ 0	\$ 0
EXPENDITURES						
Total Expenditures	0	0	0	0	0	0
Excess (Deficiency) of Revenues Over Expenditures	1,750	1,717	(33)	0	0	0
OTHER FINANCING SOURCES (USES)						
Transfers (to) from other funds	100,000	100,000			100,000	100,000
Net Other Financing Sources (Uses)	100,000	100,000	0	0	100,000	100,000
Net Change in Fund Balance	101,750	101,717	(33)	0	100,000	100,000
FUND BALANCE - Beginning of Year	100,000	100,000	0	0	0	0
FUND BALANCE - END OF YEAR	<u>\$ 201,750</u>	<u>\$ 201,717</u>	<u>\$ (33)</u>	<u>\$ 0</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE BALANCE SHEETS
TITLE VII NATIVE AMERICAN
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Cash and investments	\$ 0	\$ 0
Due from other governments	5,623	7,755
TOTAL ASSETS	\$ 5,623	\$ 7,755
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	\$ 5,623	\$ 7,755
Total Liabilities	5,623	7,755
Fund Balances		
Restricted	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,623	\$ 7,755

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - TITLE VII NATIVE AMERICAN
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal sources	\$ 29,771	\$ 5,623	\$ (24,148)	\$ 30,356	\$ 7,755	\$ (22,601)
EXPENDITURES						
Instruction						
Regular instruction	28,271	4,800	23,471	24,756	334	24,422
Total Instruction	28,271	4,800	23,471	24,756	334	24,422
Support Services						
Instructional staff services	1,500	823	677	5,600	7,421	(1,821)
Total Support Services	1,500	823	677	5,600	7,421	(1,821)
Total Expenditures	29,771	5,623	24,148	30,356	7,755	22,601
Net Change in Fund Balance	0	0	0	0	0	0
FUND BALANCE - Beginning of Year	0	0	0	0	0	0
FUND BALANCE - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE TRUST FUND
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and investments	\$ 229,132	\$ 193,183
Accounts receivable	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 229,132</u>	<u>\$ 193,183</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Total Liabilities	<u>\$ 41</u>	<u>\$ 209</u>
Fund Balances		
Restricted	<u>229,091</u>	<u>192,974</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 229,132</u>	<u>\$ 193,183</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL - SPECIAL REVENUE TRUST FUND
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018			2017		
	Final Budget	Actual	Variance Favorable (Unfavorable)	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Local sources	\$ 88,728	\$ 88,727	\$ (1)	\$ 60,371	\$ 63,072	\$ 2,701
EXPENDITURES						
Instruction						
Regular instruction	16,335	15,187	1,148	7,287	8,914	(1,627)
Other instruction	23,665	23,661	4	904	904	
Total Instruction	40,000	38,848	1,152	8,191	9,818	(1,627)
Support Services						
Pupil services						
Instructional staff services	9,220	9,219	1	2,000	1,341	659
Operations and maintenance	4,680	4,543	137	14,124	10,927	3,197
Total Support Services	13,900	13,762	138	16,124	12,268	3,856
Total Expenditures	53,900	52,610	1,290	24,315	22,086	2,229
Net Change in Fund Balance	34,828	36,117	1,289	36,056	40,986	4,930
FUND BALANCE - Beginning of Year	192,974	192,974	0	151,988	151,988	0
FUND BALANCE - END OF YEAR	\$ 227,802	\$ 229,091	\$ 1,289	\$ 188,044	\$ 192,974	\$ 4,930

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

PUPIL ACTIVITY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	Balance 7/01/17	Additions	Deductions	Balance 6/30/18
ASSETS				
Cash and investments	\$ 234,057	\$ 349,145	\$ 370,146	\$ 213,056
TOTAL ASSETS	<u>\$ 234,057</u>	<u>\$ 349,145</u>	<u>\$ 370,146</u>	<u>\$ 213,056</u>
LIABILITIES				
Due to student organizations				
Elementary Schools	\$ 29,471	\$ 14,059	\$ 14,945	\$ 28,585
Middle School	38,523	100,867	104,339	35,051
High School	<u>166,063</u>	<u>234,219</u>	<u>250,862</u>	<u>149,420</u>
TOTAL LIABILITIES	<u>\$ 234,057</u>	<u>\$ 349,145</u>	<u>\$ 370,146</u>	<u>\$ 213,056</u>

FEDERAL AND STATE SINGLE AUDIT AND
GOVERNMENT AUDITING STANDARDS REPORTS AND SCHEDULES

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable June 30, 2017	Revenues		Expenditures	Accrued Receivable June 30, 2018	
					Grantor Reimbursements	Local Share			
U.S. DEPARTMENT OF AGRICULTURE									
Wisconsin Department of Public Instruction:									
Child Nutrition Cluster									
National School Lunch Program									
Food Commodity Distribution	10.555 *	2018-566678-FD-001		\$ 0	\$ 0	\$ 53,507	\$ 0	\$ 53,507	\$ 0
July 1, 2017 - June 30, 2018									
National School Lunch Program	10.555 *	2018-566678-NSL-547			2,981	2,981			
July 1, 2016 - June 30, 2017									
July 1, 2017 - June 30, 2018						333,457		333,457	
Area Eligible Snack Program	10.555 *	2018-566678-NSL-Snacks-566							
July 1, 2017 - June 30, 2018						2,226		2,226	
Total National School Lunch Program					2,981	392,171	0	389,190	0
School Breakfast Program	10.553 *	2018-566678-SB-546							
July 1, 2016 - June 30, 2017					847	847			
July 1, 2017 - June 30, 2018						98,888		98,888	
Special Milk Program for Children	10.556 *	2018-566678-SMP-548							
July 1, 2017 - June 30, 2018						762		844	82
Summer Food Service Program for Children	10.559 *	2018-566678-SFSP-586							
July 1, 2017 - June 30, 2018						53,370		53,370	
Total Child Nutrition Cluster					3,828	546,038		542,292	82
NSLP Equipment Assistance Grant	10.579	2017-566678-Equip-531							
July 1, 2016 - June 30, 2017					11,686	11,686			
Total U.S. Department of Agriculture					15,514	557,724	0	542,292	82
U.S. DEPARTMENT OF EDUCATION									
Indian Education - Grants to Local Educational Agencies	84.060A	N/A							
July 1, 2016 - June 30, 2017					7,755	7,755			
July 1, 2017 - June 30, 2018								5,623	5,623
Wisconsin Department of Revenue									
Title I-A Basic Grant	84.010	2018-566678-Title I-141							
July 1, 2016 - June 30, 2017					357,413	240,268			
July 1, 2017 - June 30, 2018					344,589	217,195		313,327	96,132

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable June 30, 2017	Revenues			Accrued Receivable June 30, 2018
					Grantor Reimbursements	Local Share	Expenditures	
U.S. DEPARTMENT OF EDUCATION (CONTINUED)								
Wisconsin Department of Public Instruction (Continued):								
Special Education Cluster (IDEA)								
IDEA Flow Through Program								
IDEA Flow Through	84.027	2018-566678-IDEA-341						
July 1, 2016 - June 30, 2017			\$ 482,417	\$ 109,401	\$ 109,401	\$ 0	\$ 0	\$ 0
July 1, 2017 - June 30, 2018			508,662		269,401		370,892	101,491
IDEA CEIS Flow Through	84.027	2018-566678-CEIS-341						
July 1, 2016 - June 30, 2017			54,534	25,036	25,036			
July 1, 2017 - June 30, 2018			58,000		39,871		57,911	18,040
Total IDEA Flow Through Program				134,437	443,709	0	428,803	119,531
IDEA Preschool Entitlement	84.173	2018-566678-IDEA Pre-347						
July 1, 2016 - June 30, 2017			16,525	5,171	5,171			
July 1, 2017 - June 30, 2018			16,487		15,410		16,478	1,068
Total Special Education Cluster (IDEA)				139,608	464,290		445,281	120,599
Title II-A Quality Teachers & Principals	84.367	2018-566678-Title II-365						
July 1, 2016 - June 30, 2017			103,609	51,865	51,865			
July 1, 2017 - June 30, 2018			88,849		65,010		82,035	17,025
Title III-A English Language Acquisition	84.365	2018-566678-Title IIIA-391						
July 1, 2016 - June 30, 2017			25,500	3,155	3,155			
July 1, 2017 - June 30, 2018			35,165		6,992		13,857	6,865
Title IV-A Student Support & Aced Enrich Grant	84.424	2018-566678-Title IV-A-381						
July 1, 2017 - June 30, 2018			10,000				8,354	8,354
Pass-through CESA 5								
Carl Perkins	84.048	2017-566678-CP-CTE-400						
July 1, 2017 - June 30, 2018			10,441		10,381		10,381	
Total U. S. Department of Education				442,651	1,066,911	0	878,858	254,598

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Administering Agency Pass-Through Agency Award Description	Federal Catalog Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable June 30, 2017	Revenues		Expenditures	Accrued Receivable June 30, 2018
					Grantor Reimbursements	Local Share		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
Wisconsin Department of Health Services								
Medicaid Cluster								
Medical Assistance	93.778	44207000						
July 1, 2017 - June 30, 2018			N/A	\$ 0	\$ 104,544	\$ 0	\$ 107,484	\$ 2,940
Total Medicaid Cluster				<u>0</u>	<u>104,544</u>	<u>0</u>	<u>107,484</u>	<u>2,940</u>
Total U. S. Department of Health and Human Services				<u>0</u>	<u>104,544</u>	<u>0</u>	<u>107,484</u>	<u>2,940</u>
TOTAL FEDERAL AWARDS				<u>\$ 458,165</u>	<u>\$ 1,729,179</u>	<u>\$ 0</u>	<u>\$ 1,528,634</u>	<u>\$ 257,620</u>

* Indicates major federal program

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Administering Agency Pass-Through Agency	State I.D. Number	Pass Through ID Number	Program or Award Amount	Accrued Receivable (Fund Balance) June 30, 2017	Revenues		Expenditures	Accrued Receivable (Fund Balance) June 30, 2018
Award Description					Grantor Reimbursements	Local Share		
WISCONSIN DEPT. OF PUBLIC INSTRUCTION								
Cost Reimbursement Programs - Nonmajor								
Pass-through Nekoosa School District								
Peer Review and Mentoring	255.301	566678-141	\$ 8,000	\$ 3,434	\$ 3,434	\$ 0	\$ 6,816	\$ 6,816
Pass-through Tomah Area School District								
Native American Language Revitalization Grant	255.364	566678-155					741	741
Total Cost Reimbursement Programs - Nonmajor				3,434	3,434	0	7,557	7,557
Entitlement Programs								
Major State Programs								
General Equalization Aid	255.201	566678-116	N/A	10,067	580,068		579,872	9,871
Aid for High Poverty School District	255.926	566678-121	N/A		137,959		137,959	
Total General Aids				10,067	718,027		717,831	9,871
Pupil Transportation	255.107	566678-116	N/A		77,447		77,447	
Total Entitlement Programs - Major Programs				10,067	795,474	0	795,278	9,871
Nonmajor State Programs								
Special Education and School Age Parents	255.101	566678-100	N/A					
Internal District Programs					517,867		517,867	
Pass-through CESA #5					18,180		18,180	
Total Special Education and School Age Parents				0	536,047	0	536,047	0
State Lunch	255.102	566678-107	N/A		7,018		7,018	
Library Aid	255.103	566678-104	N/A		63,937		63,937	
School Breakfast Program	255.344	566678-108	N/A		4,364		4,364	
WI Morning Milk	255.109	566678-109	N/A		5,097		5,097	
Bilingual/Bicultural Aid	255.106	566678-111	N/A		6,758		6,758	
Student Achievement Guarantee in Education	255.504	566678-160	N/A		633,417		633,417	
Educator Effectiveness Eval System Grants Public	255.940	566678-154	N/A		11,760		11,760	
Per Pupil Aid	255.945	566678-113	N/A		782,550		782,550	
Career and Technical Educ Incentive Grants	255.950	566678-151	N/A		6,968		6,968	
Assessment of Reading Readiness	255.956	566678-166	N/A		6,369		6,369	
Aid for Special Education Transition Grants	255.960	566678-168	N/A		3,000		3,000	
DNR Land	N/A	N/A	N/A		86,930		86,930	
Tax Exempt Computer Aid	N/A	N/A	N/A	30,557	30,557		31,006	31,006
Other Miscellaneous	N/A	N/A	N/A		182		182	
Total Entitlement Programs - Nonmajor Programs				30,557	2,184,954	0	2,185,403	31,006

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

SCHEDULE OF EXPENDITURES OF STATE AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

Administering Agency Pass-Through Agency	State I.D. Number	Program or Award Amount	Accrued Receivable (Fund Balance) June 30, 2017	Revenues			Expenditures	Accrued Receivable (Fund Balance) June 30, 2018
Award Description				Grantor Reimbursements	Local Share			
<u>WISCONSIN DEPT. OF WORKFORCE DEVELOPMENT</u>								
Cost Reimbursement Programs - Nonmajor								
Pass-through CESA #5								
Youth Apprenticeship	445.112	N/A	\$ 1,800	\$ 0	\$ 900	\$ 0	\$ 900	\$ 0
Total Cost Reimbursement Programs - Nonmajor			<u>0</u>	<u>900</u>	<u>0</u>		<u>900</u>	<u>0</u>
TOTAL STATE AWARDS			<u>\$ 44,058</u>	<u>\$ 2,984,762</u>	<u>\$ 0</u>		<u>\$ 2,989,138</u>	<u>\$ 48,434</u>

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 SPECIAL EDUCATION AND SCHOOL AGE PARENTS PROGRAM

2017-2018 eligible costs under the State Special Education Program are \$2,050,387.

NOTE 3 DE MINIMIS COST RATE

The District has elected not to use the 10% de minimis cost rate.

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC

CERTIFIED PUBLIC ACCOUNTANTS

611 E WISCONSIN ST

PORTAGE, WISCONSIN

53901

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the School District of Wisconsin Dells (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a significant deficiency.

Compliance and Other Matters

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

School District of Wisconsin Dells' Response to Findings

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

Purpose of this Report

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

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
November 30, 2018

MILLER, BRUSSELL, EBBEN AND GLAESKE LLC
CERTIFIED PUBLIC ACCOUNTANTS
611 E WISCONSIN ST
PORTAGE, WISCONSIN
53901

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

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

Report on Compliance for Each Major Federal and State Program

We have audited the School District of Wisconsin Dells' (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal and State Program

In our opinion, the School District of Wisconsin Dells complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended June 30, 2018.

Other Matters

The results of audit procedures disclosed instances of noncompliance, which are required to be reported in accordance with the State Single Audit Guidelines and which are described in the accompanying schedule of findings and questioned costs as item 2018-002. Our opinion on each major state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

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

Board of Education
School District of Wisconsin Dells
Page Three

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

Miller, Brussell, Ebben and Glaeske LLC

Portage, Wisconsin
November 30, 2018

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiencies identified not considered to be material weaknesses?	_____ <input checked="" type="checkbox"/> Yes	_____ None reported
Noncompliance material to the financial statements?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards

Internal control over financial reporting:

Material weakness identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

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

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200? _____ Yes No

Identification of major federal award programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
--------------------	-------------------------------------------

Child Nutrition Cluster

10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	Food Commodity Distribution
10.555	Area Eligible Snack Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as a low-risk auditee? _____ Yes _____ No

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results (Continued)

State Awards

Internal control over financial reporting:

Material weakness identified? _____ Yes X No
 Significant deficiencies identified not
 considered to be material weaknesses? _____ Yes X None reported

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

Any audit findings disclosed that are required
 to be reported in accordance with *State
 Single Audit Guidelines*? X Yes _____ No

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program</u>
255.201	General Equalization Aid
255.926	Aid for High Poverty School District
255.107	Pupil Transportation

Section II - Financial Statement Findings

Financial Statement Significant Deficiencies

2018-001 Preparation of the District's Financial Statements

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

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

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

**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Section II - Financial Statement Findings (Continued)

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

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

Management Views and Corrective Action Plan: See corrective action plan 2018-001.

Section III - Federal and State Award Findings and Questioned Costs

Federal Awards Findings and Questioned Costs

No findings or questioned costs.

State Awards Findings and Questioned Costs

2018-002 Pupil Transportation Fining, State ID #255.107

We noted during our pupil transportation testing of the special ed routes that there were 8 students on special ed routes that were also included in the regular pupil transportation count. We tested all students on the special ed routes to determine they were not included on the regular transportation count and noted the 8 students mentioned above.

We recommend that the Transportation Director develop a process for identifying those students on the special ed routes to determine they are not counted also on the regular transportation report.

Management Views and Corrective Action Plan: See corrective action plan 2018-002.

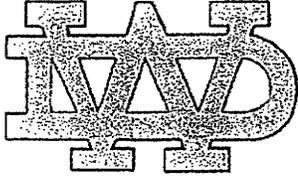
**SCHOOL DISTRICT OF WISCONSIN DELLS
WISCONSIN DELLS, WISCONSIN**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2018**

2017-001 Preparation of the District's Financial Statements

- Condition:** The District does not have management personnel with necessary expertise to prepare the financial statements, related notes, and GASB 34 conversion entries necessary to report in accordance with generally accepted accounting principles. Due to limited resources, management has decided to accept certain risks relevant to financial reporting and relies on the auditor to assist with preparation of the District's financial statements.
- Recommendation:** We recommended District personnel continue reviewing the financial statements by competent staff and approve them before issuance. We will continue to work with the District providing information and training where needed, to make the District's personnel more knowledgeable about its responsibility for the financial statements.
- Current Status:** Management and the Board continue to believe that cost to hire additional staff to eliminate the control deficiency outweighs the benefits to be received. Competent staff will continue to be designated to oversee and review the financial reports and approve them before issuance.

SCHOOL DISTRICT OF WISCONSIN DELLS



District Office: 811 County Road H, Wisconsin Dells, WI 53965

CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2018

Wisconsin Department of Public Instruction

The School District of Wisconsin Dells respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Miller, Brussell, Ebben and Glaeske, LLC.
611 East Wisconsin Street
Portage, WI 53901

Audit period - June 30, 2018

The findings from the June 30, 2018 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings-Financial Statement Audit

Significant Deficiency 2018-001 Preparation of the District's Financial Statements

Management Views - Management agrees with the finding and the recommendation.

Corrective Action Planned - Management and the Board will continue to designate competent staff to oversee and review the financial reports and approve them before issuance. However, it is not feasible or cost effective to add staff with the competence to prepare these reports.

Anticipated Completion Date - This action will be ongoing.

Findings-State Awards Program Audits

State Awards findings and Questioned Costs 2018-002. Pupil Transportation Findings, State ID #255-107

Management Views - Management agrees with the finding and the recommendation.

Corrective Action Planned - The Transportation Director at the District will develop a process to ensure that special ed route students are not also counted on the regular route report. They will also contact the Wisconsin Department of Public Instruction to amend the transportation report for the 8 students noted, if they are required to do so.

Anticipated Completion Date - As soon as possible.

If the Wisconsin Department of Public Instruction has questions regarding the plan, please contact Debra Michel at 608-254-7769 or e-mail dmichel@sdwd.k12.wi.us.

Sincerely yours,


Business Manager